



Other Strategic Support

City Council and Appointees

Mission: *Council appointees exist to support and advance the collective work done by the City organization through leadership, communication, and coordination.*

Mayor and City Council

- Office of the Mayor
- City Council

Office of the City Attorney

- Legal Representation
- Legal Transactions

Office of the City Auditor

- Audit Services

Office of the City Clerk

- Facilitate the City's Legislative Process

Office of the City Manager

- Analyze, Develop and Recommend Public Policy
- Lead and Advance the Organization
- Manage and Coordinate the City-wide Service Delivery System

Office of the Independent Police Auditor

- Core Service aligned to the Public Safety CSA

Redevelopment Agency

- Core Services aligned to the Economic & Neighborhood Development and Strategic Support CSAs

Other Strategic Support
Mayor, City Council and Appointees
BUDGET SUMMARY

Budget at a Glance

	2003-2004 Adopted	2004-2005 Adopted	% Change
Total Appointee Budget* (All Funds)	\$33,023,766	\$32,676,304	(1.1%)
Total Authorized Positions	215.62	197.62	(8.3%)

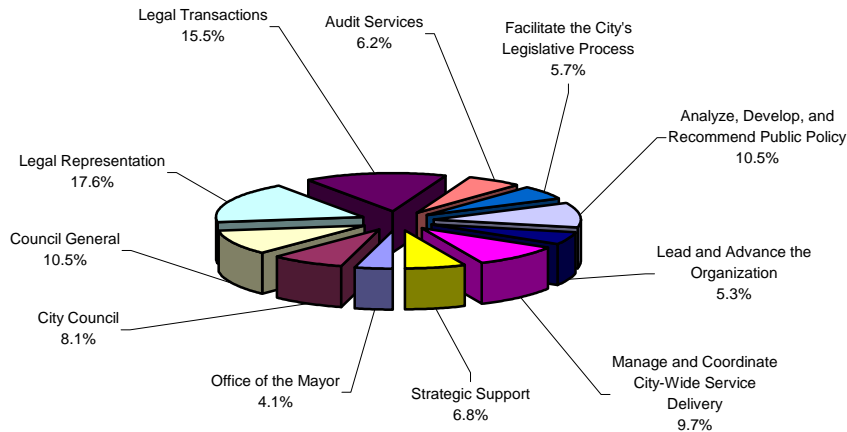
* Redevelopment Agency and Independent Police Auditor figures appear in their respective CSAs.

Budget & Performance Highlights

- The Mayor, City Council, and Appointees budgets have been reduced by 12.2%, which reflects the average reduction approved for non-public safety City Service Areas.
- Management employee salary increases are eliminated, maintaining salaries at their current level for 2004-2005, and all Professional Development Program reimbursements have been suspended for one year.
- The Mayor and City Councilmembers will continue to review public policy and programs, adopting those policies that best meet the needs of the residents, visitors, and businesses in San José.
- The Office of the City Auditor will continue to conduct performance audits, special audits, and reviews and provide efficient and effective services with resources that were reduced by the elimination of a Supervising Auditor.
- The City Manager's Office will continue to provide the day-to-day leadership of the organization, coordinate the "One Voice" efforts, work toward a reconfigured organization to support the Strong Neighborhoods Initiative, maintain focus on the Capital Improvement Program, and lead the cultural transformation into the new Civic Center with resources that were reduced, including the elimination of a Senior Executive Analyst and miscellaneous non-personal/equipment reductions such as supplies, consultant, and travel expenditures.
- The Office of the City Clerk will continue to provide strategic support services to the legislative body, including facilitating interaction between the legislative process and the community with resources that were reduced, including the elimination of an Office Specialist and 0.50 part-time Legislative Secretary.
- The Office of the City Attorney will continue to provide legal counsel and advice, prepare legal documents, and provide legal representation to advocate, defend and prosecute matters on behalf of the interests of the City and Redevelopment Agency with resources that were reduced, including the defunding of an Associate Deputy Attorney and a Senior Deputy City Attorney, the elimination of two Legal Administrative Assistants, a Legal Analyst, and a Deputy City Attorney.

Other Strategic Support
Mayor, City Council and Appointees
BUDGET SUMMARY

2004-2005 Total Operations by Core Service



Mayor, City Council and Appointees Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Mayor and City Council					
Office of the Mayor	\$ 1,139,407	\$ 1,288,996	\$ 1,216,709	\$ 1,341,310	4.1%
City Council	2,017,969	2,762,653	2,257,990	2,632,163	(4.7%)
Council General	2,985,626	3,367,643	3,445,069	3,442,854	2.2%
Office of the City Attorney					
Legal Representation	5,469,981	5,727,456	6,070,150	5,737,322	0.2%
Legal Transactions	4,883,870	5,403,842	5,509,736	5,076,072	(6.1%)
Office of the City Auditor					
Audit Services	2,206,031	2,096,804	2,297,763	2,035,336	(2.9%)
Office of the City Clerk					
Facilitate the City's Legislative Process	1,610,011	1,506,359	1,868,947	1,862,645	23.7%
Office of the City Manager					
Analyze, Develop, and Recommend Public Policy	3,119,550	3,398,143	3,479,484	3,433,326	1.0%
Lead and Advance the Organization	1,705,251	1,776,334	1,873,766	1,733,463	(2.4%)
Manage and Coordinate City-Wide Service Delivery	2,838,719	3,226,233	3,071,506	3,158,950	(2.1%)
Office of the Independent Police Auditor *					
Independent Police Oversight	N/A	N/A	N/A	N/A	N/A
Strategic Support					
	2,014,502	2,469,303	2,354,822	2,222,863	(10.0%)
Total	\$ 29,990,917	\$ 33,023,766	\$ 33,445,942	\$ 32,676,304	(1.1%)
Authorized Positions	223.12	215.62	204.12	197.62	(8.3%)

* The Office of the Independent Police Auditor Core Service is aligned to the Public Safety CSA. Please refer to that section of this document for budget summary information.

Strategic Support CSA

Mayor and City Council



Mission: *The San Jose City Council consists of ten Councilmembers elected by district and a Mayor elected at-large, each for four-year terms. The Mayor and City Council are responsible for representing the residents of San José, providing accountability, reviewing public policy and programs, and adopting those policies which best meet the needs of the residents, visitors, and businesses in San José.*

Ron Gonzales, Mayor

Linda J. LeZotte
District 1

Ken Yeager
District 6

Forrest Williams
District 2

Terry O. Gregory
District 7

Cindy Chavez
District 3

David D. Cortese
District 8

Chuck Reed
District 4

Judy Chirco
District 9

Nora Campos
District 5

Pat Dando
District 10

Strategic Support CSA

Budget Program: Office of the Mayor *Mayor and City Council*

The Office of the Mayor is responsible for developing and proposing the fiscal priorities of the City; appointing Councilmembers to the City's standing committees, boards, and commissions; providing guidance and leadership to the City Council; explaining to the community the

City's policies and programs; assisting the Council in effective exercise of its powers; and providing political leadership. The Mayor's Office also supervises the Charter-established Public Information Office responsible for the dissemination of public information and the coordination of the City's marketing efforts.

Program Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 1,139,407	\$ 1,288,996	\$ 1,216,709	\$ 1,341,310	4.1%
Total	\$ 1,139,407	\$ 1,288,996	\$ 1,216,709	\$ 1,341,310	4.1%
Authorized Positions	N/A	N/A	N/A	N/A	N/A

Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
1. Office of the Mayor Budget Reduction		(102,048)	(102,048)
This action implements a general reduction to the Office of the Mayor's operating expenditures equal to the average reduction approved for non-public safety departments (12.2%), as directed in the Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
2. Rebudget: 2003-2004 Expenditure Savings		226,649	226,649
This action rebudgets 2003-2004 expenditure savings of \$226,649 for use in 2004-2005. (Ongoing cost: \$0)			
2004-2005 Adopted Changes Total	0.00	124,601	124,601

Strategic Support CSA

Budget Program: City Council *Mayor and City Council*

As established by Section 400 of the City Charter, the City Council exercises its power and determines policy through adoption of ordinances, resolutions, and motions subject to the provisions of the

City Charter and the State Constitution. The Council ensures the right of all persons to present grievances or offer suggestions for the betterment of municipal affairs.

Program Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 2,017,969	\$ 2,762,653	\$ 2,257,990	\$ 2,027,444	(26.6%)
Total	\$ 2,017,969	\$ 2,762,653	\$ 2,257,990	\$ 2,027,444	(26.6%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
1. City Council Budget Reduction		(206,340)	(206,340)
This action implements a general reduction to the City Council's operating expenditures equal to the average reduction approved for non-public safety departments (12.2%), as directed in the Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
2. Rebudget: 2003-2004 Expenditure Savings		580,513	580,513
This action rebudgets 2003-2004 expenditure savings of \$580,513 for use in 2004-2005. (Ongoing cost: \$0)			
2004-2005 Adopted Changes Total	0.00	374,173	374,173

Strategic Support CSA

Budget Program: Council General *Mayor and City Council*

Council General provides funding resources to the Office of the Mayor and City Council. Included in this program are Mayor and City Council Members' salary and benefits, Council Assistant benefits,

clerical support for both offices, as well as funding for miscellaneous non-personal/equipment expenditures such as travel.

Program Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Operating Expenditures	\$ 2,985,626	\$ 3,367,643	\$ 3,445,069	\$ 3,216,456	(4.5%)
Total	\$ 2,985,626	\$ 3,367,643	\$ 3,445,069	\$ 3,216,456	(4.5%)
Authorized Positions	N/A	N/A	N/A	N/A	N/A

Budget Changes By Program

Adopted Program Changes	Positions	All Funds (\$)	General Fund (\$)
1. Council General Budget Reduction		(336,999)	(336,999)
This action implements a general reduction to the Council General's operating expenditures equal to the average reduction approved for non-public safety departments (12.2%), as directed in the Mayor's March Budget Message approved by City Council. (Ongoing savings: \$0)			
2. Rebudget: 2003-2004 Expenditure Savings		334,784	334,784
This action rebudgets 2003-2004 expenditure savings of \$334,784 for use in 2004-2005. (Ongoing cost: \$0)			
2004-2005 Adopted Changes Total	0.00	(2,215)	(2,215)

Strategic Support CSA

Office of the City Attorney



Mission: *The Office of the City Attorney serves as legal counsel to the City, its Boards and Commissions, and the Redevelopment Agency, with the goal of protecting and advancing their interests.*

Internal Primary Partners

- Mayor
- City Council
- City Departments
- Redevelopment Agency
- Boards and Commissions



Outcomes

- Provide legal transactional services including oral and written legal advice, and preparation of documents to implement official City and Redevelopment Agency actions.
- Provide legal representation required to advocate, defend, and prosecute on behalf of the City and Redevelopment Agency.



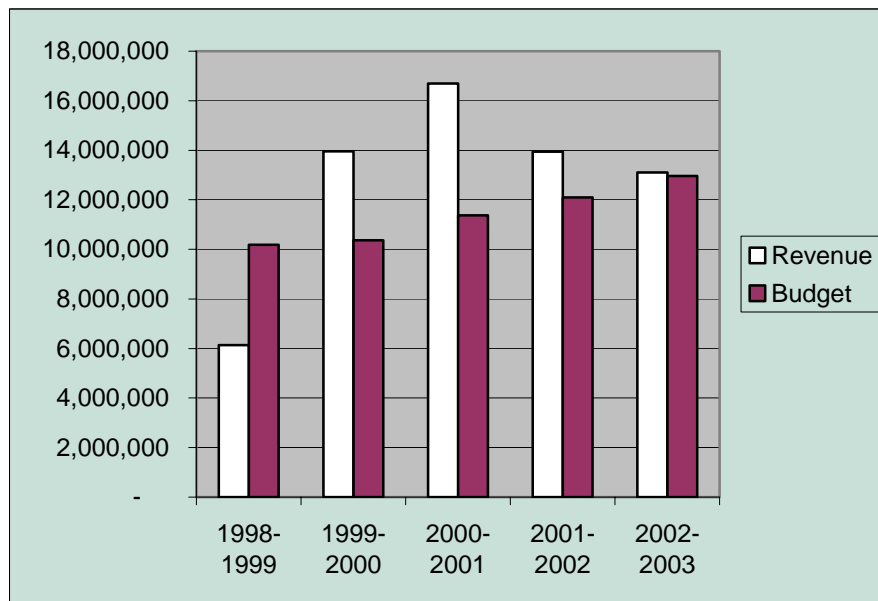
Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent
Police Auditor

Strategic Support CSA
Office of the City Attorney
FIVE-YEAR BUSINESS PLAN

Current Position *How are we doing now?*

- The Office of the City Attorney provides comprehensive legal services to the City and Redevelopment Agency including the Mayor, City Council, Redevelopment Agency Board, City departments, boards, and commissions.
- The primary functions of the Office are to provide legal counsel and advice, prepare legal documents, and to provide legal representation to advocate, defend and prosecute matters on behalf of the interests of the City and Redevelopment Agency.
- In addition to providing routine legal services that support the clients' daily operational needs, legal transactional teams dedicate substantial staff hours to several major City and Redevelopment Agency projects.
- The Office handles almost all litigation in-house, except for matters that require specialized expertise, or in cases where the Office has a conflict.
- Litigation teams are dedicated to major cases including Story Road Revitalization, Gaming Control Regulation, Strong Neighborhoods Initiative, and Police-related matters.
- Legal Representation workload highlights and 2002-2003 data are listed below:
 - ❑ 1,308 current litigation files including civil, criminal, and administrative proceedings
 - ❑ 825 active civil lawsuits
 - ❑ 1,083 Workers' Compensation claims
 - ❑ 703 general liability claims filed in 2002-2003
 - ❑ \$13.1 million in total revenue collections in 2002-2003
 - ❑ SNI legal team collected \$172,250 in fines and judgments in 2002-2003
 - ❑ Workers' Compensation third party subrogation cases recovered \$219,084 in 2002-2003



- The City Attorney's Office aggressively seeks to recover damages on behalf of the City and Redevelopment Agency. This chart provides a five-year history comparing revenue collected with the Office's Adopted Operating Budget.

Trends / Issues / Opportunities ***What developments require our response?***

- 2004-2005 is the third consecutive year that the City is faced with a General Fund budget shortfall.
- Continuous budget reduction actions have reached the point where delivery of legal services may be impacted, as the hiring freeze has prevented the filling of critical vacancies, and non-personal/equipment resources are more limited.
- City Service Area Business Plans are undergoing revision in response to State and local fiscal limitations. The clients' legal needs are changing.
- General Fund projects are being delayed, reduced, or eliminated. The demand for legal services may be lessened in the development services area; however, this decrease will be offset by the increased demand for capital projects.
- The Strategic Support CSA is undertaking the largest infrastructure investment program in the City's history. This effort has a value of over \$3.8 billion within the Five-Year Capital Improvement Program. The demand for legal services will increase with respect to the implementation of these projects.
- General Plan Amendments are occurring more frequently. Increased staff time is necessary for environmental reviews and attending meetings.
- Implementation of the SNI projects in neighborhoods throughout the City requires extensive legal services in drafting and reviewing documents.
- Investing in Results will provide the process to evaluate delivery of services and assess client satisfaction.

Policy Framework ***What policies guide our strategies?***

The Office is a strategic support department and the development of the Business Plan is based on the following factors:

- Legal Mandates
- Direction from Mayor, City Council and Redevelopment Agency Board
- City Service Area Five-Year Business Plans provide the foundation to forecast the legal needs of the City and Agency
- Approved SNI Neighborhood Plans
- Economic Development Strategy
- General Plan

Key Strategic Goals & Objectives ***Where are we going?***

The goals of the Office are to:

- Provide the highest quality legal services to our clients in a cost effective and timely manner
- Efficiently manage resources to meet the daily operational needs of the clients
- Build internal capacity to flexibly respond to changing legal needs

Strategic Support CSA
Office of the City Attorney
INVESTMENT STRATEGY

Overview

The investment strategy has been prepared at a time when the City is again challenged with addressing a General Fund budget deficit. The Mayor directed the Office to develop a two-tiered budget reduction plan to decrease 2004–2005 General Fund expenditures. For the City Attorney’s Office, the approved Tier 1 contained reductions of 12.2%, or approximately \$1.1 million, and Tier 2 identified an additional 1.7% reduction of approximately \$155,000.

Development of the investment strategy focused on identifying cost-saving opportunities that collectively have the least impact on daily operations. The budget shortfall for 2004-2005 marks the third consecutive year that the City will be required to implement reduction actions to balance the budget. However, the demand for legal services has not decreased during this prolonged economic downturn. Daily operational processes and staff assignments are continuously modified to meet the clients’ legal needs in a timely manner. Although resources are more limited, the Office remains committed to efficiently maintaining service levels. The Office will proactively communicate service impacts to the clients and in seeking input on priorities to ensure that matters of the greatest importance are completed in a timely manner.

The Office has successfully met its budget reduction target for the past three years without employee layoffs. This accomplishment is worth noting as eighty-nine percent (89%) of the Office’s total budget is allocated to personal services. Full implementation of the approved 2004-2005 budget reduction plan may involve some risks that could adversely affect the City or present management challenges, as the non-personal/equipment appropriation will absorb a significant reduction. It is critical that the Office maintains adequate funding to hire specialized consultants and experts to assist the Office in both transactional and litigation matters. The use of expert witnesses and consultants by plaintiffs in complex litigation cases makes it necessary for the Office to hire expert witnesses and consultants to defend the City. If the litigation division does not have adequate funding for these services, it will be more difficult to advocate the City’s position, and may be more costly to the City in terms of settlements/awards. The transactional legal staff also confers with consultants for specialized technical issues.

The investment strategy for the Office focused on three primary goals:

- Reduce General Fund expenditures
- Manage resources efficiently and cost effectively to meet the daily operational needs of the clients
- Build internal capacity to respond to changing legal needs, and prepare for legal services associated with the projects set forth in the various CSA five-year business plans

Key Investments & Objectives *How will we accomplish our goals?*

Outcome 1: Provide legal transactional services to include oral and written legal advice, and preparation of documents to implement official City and Redevelopment Agency actions

- Provide legal counsel at meetings of the City Council and Redevelopment Agency Board, and meetings of all major boards, committees, and commissions.
- Provide formal and informal legal advice and opinions.
- Prepare and review legal documents including ordinances, resolutions, permits, contracts, and other legal documents.
- Perform legal research and legislative analyses.
- \$100,000 reimbursement from developers and property owners for legal services rendered on two private development projects.
- Personal services reductions since the 2003-2004 Adopted Budget eliminated 6.0 positions that partially support the transactional division.
- 1.0 Deputy City Attorney and 1.0 Legal Administrative Assistant positions funded by the Redevelopment Agency were eliminated from the General Counsel's Office.
- Professional Development Program and merit increases were eliminated for attorneys and management personnel.
- Reduction to non-personal/equipment budget limits resources.

Outcome 2: Provide legal representation required to advocate, defend and prosecute on behalf of the City and Redevelopment Agency

- Initiate and defend legal actions involving the City and Redevelopment Agency.
- Aggressively seek monetary damages on behalf of the City and Redevelopment Agency.
- Prosecute municipal code violations.
- Handle claims filed against the City and Redevelopment Agency.
- Provide workers' compensation legal advice, investigation, and litigation services.
- Personal services reductions since the 2003-2004 Adopted Budget temporarily hold vacant 2.0 Litigation Attorneys, and have eliminated 6.0 positions that partially support the litigation division.
- Professional Development Program and merit increases were eliminated for attorneys and management personnel.
- Reduction to non-personal/equipment budget limits resources.

Strategic Support CSA

Core Service: Legal Representation *Office of the City Attorney*

Core Service Purpose

Advocate, defend, and prosecute on behalf of the City and Redevelopment Agency's interests.

Key Operational Services:

- ☐ Provide legal representation in virtually all matters, cases, and controversies arising from claims by or against the City and the Redevelopment Agency
- ☐ Retain, coordinate, and supervise outside legal counsel that represent the City or the Redevelopment Agency in matters involving litigation
- ☐ Prosecute criminal proceedings involving violations of the San José Municipal Code
- ☐ Provide legal representation before the State, federal and appellate Courts, agencies and boards, including the Workers' Compensation Board, and at adversarial hearings before City boards and commissions
- ☐ Provide pre-litigation advice and counsel to avoid litigation and to protect the City's interests should litigation occur

Performance and Resource Overview

Legal representation is provided by the City Attorney's Office on behalf of the Mayor, City Council, City Manager, City Auditor, Executive Director of the Redevelopment Agency, City Clerk, Independent Police Auditor, City Departments, City and Redevelopment Agency employees, and City boards and commissions.

The purpose of legal representation is to advocate, defend, and prosecute on behalf of the City and Agency. This includes a wide variety of activities and objectives that collectively attempt to protect the City and Agency's rights, minimize civil and financial liability, and advance community welfare.

Legal representation services include: general liability claims management; defense of lawsuits; pursuit of contractual indemnities and appropriate insurance tenders; coordination of outside legal counsel; workers' compensation investigations and litigation; initiation of plaintiff litigation; prosecution of municipal code violations; seeking injunctions for general nuisance, and gang and drug abatements to promote safer communities. The Office is also proactive in providing pre-litigation advice and counsel in an effort to avoid litigation. In 2003-2004, the Office is estimated to have 1,308 open litigation files, including criminal, civil and administrative proceedings. Of these

Strategic Support CSA

Core Service: Legal Representation *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

matters, 825 are civil lawsuits pending in the state, federal, and appellate courts. The Police Department accounts for 436 of the open files. Prior to 2003-2004, two sergeants were assigned to the City Attorney's Office to handle police-related claims and provide litigation support. The Police Department eliminated one of the sergeant positions in 2003-2004 as a cost savings action. The Office reallocated resources to account for this loss of personnel.

All of the litigated matters are currently being handled in-house. The commitment to retain litigation in-house results in substantial budgetary savings compared to outside counsel costs, and gives the City more control over settlement negotiations. The Office is proud to have the internal legal expertise to provide services for a wide range of practice areas, including complex litigation cases related to police, personal injury, eminent domain, land use, construction, and employment issues.

The Litigation Division has 23 attorney positions including 2 supervising attorneys and 4 workers' compensation attorneys. The general litigation caseload discussed above is essentially distributed among 17 attorneys. This translates into a caseload of about 77 cases, including 49 civil court cases and approximately 28 other matters, such as civil service cases, administrative code enforcement appeals, criminal prosecutions, and Pitchess motions. A more reasonable civil caseload would be approximately 30 court cases per attorney, so the Office continues to carry a heavier workload than desired. When the City's financial condition improves, the Office will begin the process of filling two litigation attorney positions that became vacant in 2003 due to retirements.

In addition to the general litigation handled by the Office, a number of complex City and Agency projects added a significant burden to the Litigation Division in 2003-2004, which is anticipated to continue into 2004-2005. These cases are related to the following matters:

- Strong Neighborhoods Initiative
- Gaming Control Regulation
- Airport Noise Program
- San José Municipal Water
- Cable Renewal Formal Process
- Police
- Tech Museum of Innovation

Although the primary litigation role of the Office is to defend lawsuits, the Office actively pursues cases to recover damages on behalf of the City and Agency. For 2002-2003, the Office generated \$13.1 million in revenue collections.

The Office handles all liability claims filed against the City and Agency. Claims management begins with an investigation that may involve witness interviews, gathering evidence, taking photographs or video, and conducting surveillance. Upon completion of an investigation, the facts are reviewed in light of applicable law to determine the appropriate legal action. If liability is at issue, damages are

Strategic Support CSA

Core Service: Legal Representation *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

evaluated prior to settlement negotiation. Legal analysts appear at small claims court to defend the City and Agency when necessary.

The Worker's Compensation Unit has four attorneys that are managing a workload of 1,083 claims. The attorneys serve as advisory counsel and provide litigation services including appellate review. This unit is also responsible for the coordination of third party subrogation cases. These cases resulted in a total recovery of \$219,084 for 2002-2003. In addition to the revenue generating benefits and cost savings resulting from performing this legal work in-house, the program provides better coordination of cases with multiple claims involving issues related to worker's compensation, retirement, safety, the Americans with Disabilities Act, and the Family Medical Leave Act. The Office also coordinates with the Return to Work Program and vocational rehabilitation of injured employees. The California State Bar has certified two of the Office's attorneys as Workers' Compensation Specialists. The Office's investigators perform complex worker's compensation investigations, including virtually all required surveillance work. Providing this service in-house significantly reduces the costs and brings the City into compliance with the state-mandated worker's compensation anti-fraud program.

A performance measure for quality tracks the percentage of time final case results are consistent with the Office's analyses and recommendations. Final resolution of cases occurs by way of settlement, trial, or dismissal, depending upon the facts presented and the legal issues involved. It is the responsibility of the Office to provide the client with a clear analysis and a realistic forecast of potential outcomes. During 2002-2003, 87% of the final case results were within the Office's case assessments. In 2003-2004, 85% was estimated to be within the Office's case assessments.

The 2003 client survey showed a 72% satisfaction rating from respondents who felt that the Office kept them informed in a timely manner of significant developments of a litigated case. The Office recognizes the importance of maintaining timely and open communication with the clients, and internal procedures have been established to remind staff to provide clients with regular status updates at particular stages of a case. In addition, the Office began to work with other City departments to develop processes that fostered improved communications. It should be noted that a neutral rating was received from 20% of the respondents on this issue. The Office will continue to work diligently in this area.

Costs to hire outside private counsel for litigation services vary from \$145 - \$550 per hour, for an average hourly rate of \$348. The hourly rates for outside private counsel are based on current rates negotiated by the City for legal service contracts. Rates vary depending on the type of law practice and level of experience and may include a government discount. The in-house Office rate, based on a 40-hour week, averages \$104 per hour including salary, retirement, fringe, and overhead for departmental and central service costs. A large percentage of City attorneys average much more than 40 hours per week. It is clearly more cost-effective for the City to have in-house legal counsel handle litigated matters.

Strategic Support CSA





Core Service: Legal Representation *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

Performance Measure Development

The City Attorney's Office has conducted annual client surveys for the past four years. Feedback from earlier surveys provided the Office with a better understanding of client expectations, and enabled the Office to make changes in the service areas most desired by the clients. Recent surveys have shown marked improvement in the areas where changes were implemented, particularly in the communication area. Client input received over the past two years has remained relatively constant, and has provided a benchmark to compare future performance. The Office will alter the frequency of client surveys from an annual to a bi-annual basis. The next client survey will be performed in the Spring of 2005. In 2004-2005, the Office intends to convene a focus group to assess client satisfaction levels.

The 2003 client survey showed that 84% of the respondents were satisfied with the overall legal representation services received from the Office. The Office will strive to maintain the confidence of the clients and will continue to work to increase performance in the communication area.

Legal Representation Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of time final case results are within staff analyses and/or recommendations	87%	75%	85%	75%
 Cost of representation compare favorably to law offices of similar size, practice, and expertise, including other governmental law offices <ul style="list-style-type: none">City Attorney's Office average hourly rateOutside Legal Counsel average hourly rate	\$101	\$106	\$104	\$104
 % of time client is timely informed of significant developments in a case	72%	80%	72%*	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	84%	80%	84%*	80%

* Results are from 2003 survey. Next client survey will be conducted in Spring 2005.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of claims filed against the City	1,025	999	966	1,000
Number of lawsuits filed against the City	184	218	222	220
Number of lawsuits and administrative actions filed or initiated by the City	304	392	453	400

Strategic Support CSA

Core Service: Legal Representation *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

Legal Representation Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 4,883,648	\$ 4,872,580	\$ 5,216,274	\$ 4,924,467	1.1%
Non-Personal/Equipment	586,333	854,876	853,876	812,855	(4.9%)
Total	\$ 5,469,981	5,727,456	\$ 6,070,150	\$ 5,737,322	0.2%
Authorized Positions	43.90	43.10	41.40	40.90	(5.1%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Temporary Attorney Staffing Reduction		(216,174)	(216,174)

Personal services costs represent 89% of the City Attorney's Office General Fund budget in 2004-2005. Therefore, General Fund expenditure reductions will unavoidably impact staffing levels. This action delays the recruitment and keeps 2.0 positions (1.0 Associate Deputy City Attorney and 1.0 Senior Deputy City Attorney) vacant through 2004-2005. (Ongoing savings: \$0)

Performance Results:

Quality, Cost, Cycle Time, Customer Satisfaction The extended deferral of filling vacant positions may eventually impact the level of service provided to the clients. As the legal work cannot be avoided, it may be necessary to contract with support services vendors and outside counsel, thus increasing the City's non-personal/equipment expenditures. Currently, outside counsel for all core services demands an hourly rate averaging \$348, whereas the average hourly rate for in-house counsel is \$104, including overhead, benefits and fringe. Daily operational processes and staff assignments are continuously modified to respond to the clients' changing legal needs. However, if the non-personal/equipment budget cannot fully fund the outsourcing of these services, cycle times will increase as in-house staff will be required to absorb expanded duties.

Strategic Support CSA

Core Service: Legal Representation *Office of the City Attorney*

Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
2. Office Supplies and Books Efficiencies		(41,021)	(41,021)
This action recognizes one-time efficiencies in supplies and legal resources/books in the Office's non-personal/equipment budget. (Ongoing savings: \$0)			
Performance Results: Quality, Cycle Time, Customer Satisfaction The legal research resources available to employees will be reduced. If necessary, staff can use the Santa Clara County law library to conduct legal research. This will occasionally affect daily operations; however, the Office will make the adjustments necessary to continue meeting the legal needs of the client. Cycle time may increase due to lack of resources and customer satisfaction may be affected as a result.			
3. Management Salary Increases		(40,925)	(40,925)
This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005. This elimination is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$40,925)			
Performance Results: Cost This change reduces budgeted costs without any effect on service delivery. A longer-term freeze, however, could affect the City's ability to retain these managers.			
4. Attorney Support Staffing	(0.50)	(34,708)	(34,708)
Personal services costs represent 89% of the City Attorney's Office General Fund budget in 2004-2005. Therefore General Fund expenditure reductions will unavoidably impact staffing levels. This action eliminates 0.5 Legal Administrative Assistant. The remaining portion of this position is discussed in the Legal Transactions Core Service section of this document. (Ongoing savings: \$34,708)			
Performance Results: Cycle Time, Customer Satisfaction Daily operational processes and staff assignments are continuously modified to respond to the clients' changing legal needs. However, if the non-personal/equipment budget cannot fully fund the outsourcing of these services, cycle times will increase as in-house staff will be required to absorb expanded duties.			
2004-2005 Adopted Core Service Changes Total	(0.50)	(332,828)	(332,828)

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Core Service Purpose

Provide oral and written advice on legal issues and prepare documents to implement official City and Redevelopment Agency actions.

Key Operational Services:

- | | |
|--|--|
| <input type="checkbox"/> Preparation of ordinances, resolutions, permits, contracts, and other legal documents | <input type="checkbox"/> Oral and written legal counsel and advice |
| | <input type="checkbox"/> Performance of legal research |

Performance and Resource Overview

The Office of the City Attorney provides legal transactional services to the Mayor, City Council, City Manager, City Auditor, Executive Director of the Redevelopment Agency, City Clerk, Independent Police Auditor, City Departments, Redevelopment Agency, and City boards and commissions.

The Office works in partnership with all of its clients to lawfully achieve organizational goals in a cost-effective and efficient manner. A considerable amount of time is devoted to providing legal counsel and advice to the clients. The City Attorney regularly attends meetings of the City Council and Redevelopment Agency Board, and staff attorneys attend meetings of all major boards and commissions to provide legal counsel on issues before these bodies. The attorneys also spend a large portion of their day on the telephone or replying to e-mails from clients seeking legal advice. Providing legal advice oftentimes involves performing legal research to identify and analyze legal issues and risks, and to certify that the advice is based on current law. It is the goal of the Office to provide comprehensive advice to the clients so that they can make informed business decisions.

In addition to providing routine legal services that support the clients' daily operational needs, significant legal transactional resources are allocated to programs that are given priority by the Mayor and City Council. Legal teams are dedicated to several major City and Agency projects. The following ongoing and new projects will require substantial staff time during 2004-2005:

- Affordable Housing Initiative
- Strong Neighborhoods Initiative Project Implementation
- New Civic Center
- Airport Expansion
- Airport Curfew Issues
- Gaming Control Regulation
- Transportation Improvements

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

- Downtown Retail Project
- Story-King Retail Project
- Issuance of Bonds (Housing, Airport, City's Financing Authority (CFA), Redevelopment Agency)
- Standardization of Workforce Investment Network program (WIN) and Public Works Contracts
- Capital Improvement Program – Library, Parks, and Public Safety Improvements
- Cable Franchise Renewal Negotiations
- Revenue Enhancement Policy Implementation
- Ethics Ordinances – Elections Commission – Blue Ribbon Task Force

A team will be providing legal support to the Planning, Building and Code Enforcement Department for the Evergreen Smart Growth Strategy and the Coyote Valley Specific Plan private development projects. The developers and property owners for these two projects have agreed to reimburse the City for the long range planning costs, including legal services rendered by this Office.

The General Counsel's Office has eliminated a Deputy City Attorney position and a Legal Administrative Assistant position in 2004-2005 as part of the Redevelopment Agency's budget reduction plan. The demand for legal services may soon be decreasing as the Agency begins to reduce its capital projects. It is anticipated that the remaining attorneys at the General Counsel's Office will be able to manage the workload in a timely manner.

The Office works closely with City and Agency staff to prepare City Council and Agency Board memoranda. This requires ongoing communication and coordination with the department representative to confirm details and to identify and resolve legal issues. Preparation of legal documents including ordinances, resolutions, and contracts also keep the attorneys integrally involved with all of the City and Agency programs and projects.

Annual reviews of the City Service Areas' (CSA) five-year business plans will assist the Office in forecasting the legal needs of the City. Long range planning is critical to strategically allocate resources and to provide advance staff training to meet the anticipated legal services demand. The CSA teams are currently challenged with completing projects with fewer resources. Business plans and investment strategies are being revised, and the Office is working with the clients to explore alternative and innovative financing so that projects can be completed "on-time and on-budget".

The City Attorney's Office monitors the quality of legal advice to ensure that the legal analysis identifies the legal issues and risks, and provides alternatives where appropriate. The quality of the legal analysis is dependent on the clients providing the Office with complete information regarding the business terms under consideration. In the 2003 client survey, 74% of respondents were satisfied with the legal advice given by the Office. It should be noted that 19% of the respondents gave a neutral rating on this issue. While there is always opportunity for improvement, only 7% of the respondents were not satisfied with the services received in this area.

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

The Office strives to ensure that legal documents accurately and completely reflect the material business terms approved by the City Council or Agency Board. The ability of the Office to accomplish this task is directly related to the quality of the information communicated by the client. The Office is doing a good job in this area as the 2003 client survey indicated that 97% of the respondents were satisfied that the documents prepared by this Office accurately reflected the approved City or Agency action. The remaining 3% were neutral on this issue.

The Office is committed to preparing legal documents and providing legal advice in a manner that will not cause unnecessary delays to the clients. A comprehensive legal software program maintains a database of matters handled by the Office, and includes a feature that provides status reports on all assignments. The data for 2003-2004 indicates that 83% of the assignments are estimated to be completed within a mutually acceptable timeframe. The Office will continue to survey the clients to assess their perspective on this issue.

Costs to hire outside private counsel for transactional services vary from \$125 - \$395 per hour, for an average hourly rate of \$260. These hourly rates, based on current rates negotiated by the City, vary depending on the type of law practice and level of experience, and may include a government discount. The in-house Office rate, based on a 40-hour workweek, averages \$104 per hour including salary, retirement, fringe, and overhead for departmental and central service costs. A large percentage of the attorney staff average much more than 40 hours per week. It is clearly more cost-effective for the City to have in-house legal counsel.






Performance Measure Development

The City Attorney's Office has conducted annual client surveys for the past four years. Feedback from earlier surveys provided the Office with a better understanding of client expectations, and enabled the Office to make changes in the service areas most desired by the clients. Recent surveys have shown marked improvement in the areas where changes were implemented, particularly in the communication areas. The 2003 client survey showed that 91% of the respondents were satisfied with the overall legal transactional services received from this Office. This high rating is encouraging and confirms that the legal services provided by the Office are meeting client expectations. Client input received over the past two years has remained relatively constant, and has provided a benchmark to compare future performance. The Office will alter the frequency of client surveys from an annual to a bi-annual basis. The next client survey will be performed in the Spring of 2005. During 2004-2005, the Office also intends to convene a focus group to assess client satisfaction levels.

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

Legal Transactions Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of time final documents accurately reflect the approval of City and Redevelopment Agency action	97%	100%	97%*	100%
 % of time that advice identifies and analyzes legal issues and risks and/or provides alternatives where appropriate	74%	80%	74%*	80%
Cost of advice and documentation compare favorably to law offices of similar size, practice and expertise including other governmental offices				
 <ul style="list-style-type: none"> City Attorney's Office average hourly rate Outside Legal Counsel average hourly rate 	\$101	\$106	\$104	\$104
 % of time client receives advice/document within mutually accepted timeframes	61%	75%	83%	75%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	91%	80%	91%*	80%

* Results are from 2003 survey. Next client survey will be conducted in Spring 2005.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of Council/Board Manager memoranda:				
Prepared	91	61	243	200
Reviewed	1,274	1,481	1,600	1,500
Number of formal Opinions issued	975	830	2,038	1,500
Number of Legislative reviews	476	768	210	250
Number of Conflict of Interest reviews	21	20	20	20
Number of Resolutions	785	826	472	600
Number of Ordinances	256	259	228	260
Number of Agreements	3,359	3,649	5,547	4,000

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Performance and Resource Overview (Cont'd.)

Legal Transactions Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 4,666,284	\$ 5,150,600	\$ 5,256,494	\$ 4,822,830	(6.4%)
Non-Personal/Equipment	217,586	253,242	253,242	253,242	0%
Total	\$ 4,883,870	5,403,842	\$ 5,509,736	\$ 5,076,072	(6.1%)
Authorized Positions	43.52	43.22	40.92	37.42	(13.4%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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- Agency-Funded Attorney's Office Staffing Reduction** (2.00) (216,622) (216,622)

This action eliminates 1.0 Legal Administrative Assistant and 1.0 Deputy City Attorney as part of the Redevelopment Agency's budget reduction plan. The demand for legal services may soon be decreasing as the Agency begins to reduce its capital projects. (Ongoing savings: \$216,622)

Performance Results:

No change to service levels will result from this action.

- Evergreen Smart Growth Strategy and Coyote Valley Specific Plan Legal Services** (100,000) (100,000)

This action implements a one-time decrease in the Office's personal services in the General Fund. Legal services will be included in the privately reimbursed long range planning costs provided to the Planning, Building and Code Enforcement Department for the Evergreen Smart Growth Strategy and the Coyote Valley Specific Plan. This action will partially fund a team of attorneys, analysts and administrative support. (Ongoing savings: \$0)

Performance Results:

Cost, Quality This action will result in a one-time personal services reduction to the General Fund. Providing timely and effective legal services in the areas of planning, transportation, public works, and finance will assist clients with accomplishing their business objectives.

Strategic Support CSA

Core Service: Legal Transactions *Office of the City Attorney*

Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
3. Attorney Support Staffing	(1.50)	(76,117)	(76,117)
Personal services costs represent 89% of the City Attorney's Office General Fund budget in 2004-2005. Therefore General Fund expenditure reductions will unavoidably impact staffing levels. This action eliminates 1.0 Legal Analyst and 0.5 Legal Administrative Assistant. The remaining portion of this position is discussed in the Legal Representation Core Service section of this document. (Ongoing savings: \$76,117)			
Performance Results: Cycle Time, Customer Satisfaction Daily operational processes and staff assignments are continuously modified to respond to the clients' changing legal needs. However, if the non-personal/equipment budget cannot fully fund the outsourcing of these services, cycle times will increase as in-house staff will be required to absorb expanded duties.			
1. Management Salary Increases		(40,925)	(40,925)
This action eliminates any salary step or performance pay increases, thereby maintaining the salaries of all management employees at their current levels during 2004-2005. This elimination is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$40,925)			
Performance Results: Cost This change reduces budgeted costs without any effect on service delivery. A longer-term freeze, however, could affect the City's ability to retain these managers.			
2004-2005 Adopted Core Service Changes Total	(3.50)	(433,664)	(433,664)

Strategic Support CSA

Core Service: Strategic Support *Office of the City Attorney*

Strategic Support represents the services provided within the Office that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support, those are not presented separately in this document. Performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery.

Strategic Support within the Office of the City Attorney includes:

- | | |
|--|--|
| <input type="checkbox"/> Office Management and Analysis | <input type="checkbox"/> Computer Network Management |
| <input type="checkbox"/> Fiscal Control/Budget Preparation | <input type="checkbox"/> Facility Management |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Law Library Maintenance |
| <input type="checkbox"/> Administration/Employee Services | <input type="checkbox"/> Overall Contract Administration |
| <input type="checkbox"/> Records and File Maintenance | |

Performance and Resource Overview

The San José City Attorney's Office, as legal counsel for the eleventh largest city in the United States, produces a high volume of transactional and litigation work. Meeting this demand in a timely manner is accomplished through a team effort from the entire Office. Strategic support staff is the foundation that enables the efficient delivery of services and performs virtually every function necessary for the operation of a law office. Reliance on outside vendors is minimal and generally limited to situations when it is more cost-effective to outsource.

The Office administrative staff is fully engaged with preparations to move into the new Civic Center in 2005. Staff is working with consultants on the floor plan, furniture and equipment plan, security issues, and move-in plan. The relocation to the new facility has accelerated the effort to develop a central file system with an emphasis on increasing the use of electronic file maintenance. Storing files electronically will improve record keeping, and reduce the volume of hardcopy files.

The General Services Department has provided the Office with city-owned space to be used as a record storage center. In June 2004, the Office moved 1,600 boxes from an offsite private record center to the newly acquired facility. A barcode system was also implemented to support record maintenance of the Office's hardcopy files. Housing the Office records at a city-owned facility is expected to save the City over \$60,000 in rental fees over the next ten years. An added benefit is that the records will be readily accessible to staff.

Strategic Support CSA

Core Service: Strategic Support Office of the City Attorney

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,446,534	\$ 1,416,214	\$ 1,463,646	\$ 1,390,566	(1.8%)
Non-Personal/Equipment	59,419	88,216	88,216	88,216	0%
Total	\$ 1,505,953	1,504,430	\$ 1,551,862	\$ 1,478,782	(1.7%)
Authorized Positions	14.20	12.30	12.30	12.30	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
1. Professional Development Program Suspension		(73,080)	(73,080)
During 2004-2005, Professional Development Program (PDP) reimbursements for all management employees are being suspended for one year. This is the second year in a row that PDP reimbursements have been eliminated for unrepresented management employees. The PDP reimburses eligible employees for up to \$1,400 per year of expenses for professional conferences and educational programs, computer hardware and software, and professional subscriptions and memberships. (Ongoing savings: \$0)			
Performance Results:			
Cost This change will reduce budgeted costs without any effect on service delivery. A longer-term suspension of these benefits, however, could affect the City's ability to retain these managers.			
2004-2005 Adopted Strategic Support Changes Total	0.00	(73,080)	(73,080)

Strategic Support CSA

Office of the City Auditor



Mission: *To independently assess and report on City operations and services.*

The Office of the City Auditor works closely with other customers and stakeholders including:

- City Council
- City Departments
- Council Appointees
- City Employees
- Vendors, contractors, and consultants
- Residences
- Businesses

The City Auditor's Office has one primary outcome:

Audit services identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.

Audit services benefit the City in a number of ways. Some audit reports present ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. In addition, a variety of special studies and analyses provide objective and timely information to the City Council, City Administration, and the general public.

The function of the Office of the City Auditor rests on three important principles:

- Be independent, not only from the Administration, but also from any undue City Council member influence that could impair the professional integrity of any audit or other services the Office provides
- Maintain an objective attitude about all assignments
- Be factually and technically correct

These three qualities of independence, objectivity, and technical accuracy are the cornerstones of the one indispensable attribute of the City Auditor's Office – credibility. Without credibility the City Auditor's Office cannot and should not exist.

Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent
Police Auditor

Strategic Support CSA
Office of the City Auditor
FIVE-YEAR BUSINESS PLAN

Current Position ***How are we doing now?***

- Since the City Auditor's appointment in May 1985, the Office has identified \$208 million in revenue enhancements or cost savings compared to \$27 million in Office costs.
- From May 1985 through June 2004, the Office exceeded its performance target of \$3 to \$1 ratio of cost savings or revenue enhancements to Office cost with an actual achieved ratio of nearly \$8 to \$1. In 2000, given its historical success, the City Council increased the Office's performance target to \$4 to \$1.
- In 2002-2003 and 2003-2004, ongoing sales and business tax audits and additional City Auditor revenue enhancement activities identified \$3,325,926 in revenue enhancements or cost savings for the City's General Fund.
- Sales and Business Tax Audits identified \$1,758,306 in revenues for the quarters ended September 30, 2003 and December 31, 2003. On December 10, 2003, the Rules Committee removed Business Tax Audits from the City Auditor's 2003-2004 Workplan.

Selected Community Indicators ***What external conditions influence our strategies?***

- Audit expenditures compared to City of San José total expenditures: \$1 to \$389.
- Audit staff compared to City staff: 1 to 361.
- Biennial review for compliance with Government Auditing Standards: In October 2003, the City Auditor's Office received an unqualified opinion regarding its compliance with Government Auditing Standards for the period July 1, 2001 through June 30, 2003. The National Association of Local Government Auditors conducted the performance review of the City Auditor's Office. The next biennial review will be performed in fall 2005.

Trends / Issues / Opportunities ***What developments require our response?***

- In light of the budget difficulties facing the City, the City Auditor's Office will increase its emphasis in searching for revenues and cost savings opportunities.
- The City's major investments in infrastructure also warrant increased scrutiny of capital projects.
- The City's reliance on computer systems for its key business systems necessitates the Office's continued improvement in its capacity in this area.

Policy Framework ***What policies guide our strategies?***

- The City Council appoints the City Auditor.
- The Rules Committee approves the City Auditor's Annual Workplan.
- The duties of the City Auditor are outlined in City Charter Section 805.
- The City Auditor's Office conducts audits in accordance with generally accepted government auditing standards.
- The City Auditor prepares an Annual Citywide Risk Assessment to determine the potential audit areas and recommends that the Rules Committee include those areas in his Annual Workplan.
- The City Auditor's Office receives a biennial performance review for compliance with government auditing standards.

Key Strategic Goals & Objectives ***Where are we going?***

- Identify ways to reduce costs or enhance revenues.
- Identify ways to increase the economy, efficiency, and effectiveness of City government.
- Provide independent, reliable, accurate, and timely information to the City Council.

Overview

The Office of the City Auditor provides audit services that identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The Office also provides revenue audits that obtain and analyze information from numerous data sources to ensure that the City of San José receives all of the revenues to which it is entitled.

The City Auditor's Office investment strategy is focused on providing reliable and effective audit services through efficient use of existing resources. The Office will operate with 18 authorized positions, composed of one City Auditor, three supervising auditors, 11 auditors, and three administrative staff.

Key Investments & Objectives *How will we accomplish our goals?*

Outcome 1: Audit Services – Audit Services identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.

The City Auditor's resources will be strategically invested in the following 2004-2005 action plan which aligns with City Council priorities, the City Auditor's approved Audit Workplan, and Business Plan strategic goals, objectives, and performance measures.

- Conduct performance audits, special audits, and reviews as assigned. In June 2004, the Office released a 2004-2005 audit workplan that targeted areas of City Council and other appointees' concern, as well as areas identified for audit in the Citywide Risk Assessment model. Emphasis will be in seeking ways to reduce costs or increase revenues. The Office will also work to improve timeliness by issuing all audit assignments within 30 days of projected completion dates.
- Conduct sales tax and other revenue-related audits. The Office obtains and analyzes information from numerous data sources to ensure that the City of San José receives all of the revenues to which it is entitled. In 2004-2005, the Office will continue to identify and contact businesses that may not have used the proper sales tax identification code and continue to forward sales tax leads to the State Board of Equalization for resolution. In addition, the Office will continue to work closely with State Board of Equalization staff, the Finance Department, the California Municipal Business and Tax Association, the League of California Cities, and other agencies on any issues that impact the City's revenue base.
- Facilitate annual financial audit and quarterly card room opinions. The City contracts with outside Certified Public Accountant (CPA) firms to conduct the annual financial audits and quarterly card room audits. The City Auditor prepares, monitors, and initiates payments for these audits and assists with card room audit reviews.
- Conduct recommendation follow-up. The Office prepares a status report of all open audit recommendations as of June 30th and December 31st of each year. In 2000-2001, the City Auditor began tracking the percentage of audit recommendations implemented within one year. During 2004-2005, the Auditor will work to improve this percentage by meeting with departments 60 days after each audit report is issued to discuss implementation of recommendations contained in that report.

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 1: Audit Services – Audit Services identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders (Cont'd.)

- Improve the website. The Office's website includes many of the audit procedures and technical innovations the Office has pioneered. It receives more than 12,000 hits per month from persons or organizations from nearly every state in the United States and more than 20 foreign countries. The Office will continue to ensure that information on the site is current and relevant. The Office plans to expand the information on its website to include audit programs and complete text of audit reports.
- Provide training to City employees on how to incorporate the Office's audit approach into their management philosophy. For the past 13 years, the City Auditor has taught a half-day course on risk assessment and internal controls for City employees. Each session draws 30 to 40 City employees and, based on attendees' written evaluations, is very well received. The City Auditor will present the course again in 2004-2005.
- Explore ways to increase cooperation with and provide assistance to other City Council appointees. During the last two years, the City Auditor's Office worked with the Redevelopment Agency to review their Disposition and Development Agreements. In 2003-2004, the City Auditor assisted the Airport by auditing rental car companies and performing special projects as requested. The City Auditor will solicit appointee input on the 2004-2005 Audit Workplan and continue to explore ways to increase cooperation with and provide assistance to the other appointees.
- Continue to provide efficient and effective audit services with the reduced level of resources including the elimination of a Supervising Auditor and the reallocation of a Program Performance Auditor II to a Program Performance Auditor I.

Strategic Support CSA

Core Service: Audit Services

Office of the City Auditor

Core Service Purpose

Audit Services identify ways to increase the economy, efficiency, effectiveness and accountability of City government and provide independent, reliable, accurate and timely information to the City Council and other stakeholders.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Conduct performance audits | <input type="checkbox"/> Conduct other revenue audits |
| <input type="checkbox"/> Conduct special audits and reviews | <input type="checkbox"/> Facilitate annual financial audit and quarterly card room audits |
| <input type="checkbox"/> Conduct sales tax audits | <input type="checkbox"/> Recommendation follow-up |

Performance and Resource Overview

Audit Services benefit the City in a number of ways. Some audit reports present ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. In addition, a variety of special studies and analyses provide objective, timely information to the City Council, City Administration, and the general public.

The Office tracks the implementation status of approved audit recommendations. Since May 1985, the Administration has implemented approximately 95 percent of over 1,375 recommendations made by the City Auditor.










The audit workplan for 2003-2004 included 32 assignments that would be completed or result in the issuance of at least one audit report by the end of the year. Audit reports issued during 2003-2004 included approximately 44 recommendations and identified about \$10.1 million in estimated benefits. During 2004-2005, the Office will focus on providing reliable and effective audit services through the efficient use of existing resources.

For 2004-2005, consistent with the direction from the Mayor's Budget Office, the Office of the City Auditor's budget was reduced by a total of 12.2%. The Office eliminated a vacant Supervising Auditor and reallocated a vacant Program Performance Auditor II to a Program Performance Auditor I position. The Senior Executive Management staff relinquished any merit, step, or salary increases as well as temporarily suspended its Professional Development Program for one year.

Strategic Support CSA

Core Service: Audit Services *Office of the City Auditor*

Performance and Resource Overview (Cont'd.)

Audit Services Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of audit recommendations adopted by the City Council	95%	95%	100%	95%
 % of audit recommendations implemented within one year of adoption	80%	80%	77%	80%
 Ratio estimated audit benefit to audit cost	\$9 to 1	\$4 to 1	\$7 to 1	\$4 to 1
 Ratio actual to estimated audit benefit	\$1.1 to 1	\$1 to 1	\$1 to 1	\$1 to 1
 % of approved workplan completed or substantially completed during the fiscal year	100%	100%	88%	100%
 % of audits completed within 30 days of the projected completion date	90%	90%	88%	90%
 % of City Council members rating the reliability, timeliness and value of audit services good or excellent	95%	95%	97%	95%
 % of auditees rating the reliability, timeliness, and value of audit services good or excellent	88%	95%	87%	95%
 % of sales tax customers rating professionalism of audit services good to excellent	97%	95%	TBD*	95%

* In December 2003, the Rules Committee removed Business Tax Audits from the City Auditor's Workplan. As a result, a survey specific to sales tax audit customer satisfaction is being developed and data is expected to be available by the end of 2004-2005.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of audit reports issued	22	22	18	22
Number of audit recommendations adopted	70	70	44	70
Number of audit reports per auditor	1.5 to 1	1.5 to 1	1.2 to 1	1.5 to 1
Estimated audit benefits (i.e., cost savings and revenue enhancements)	\$22,300,000	\$9,500,000	\$10,142,892	\$9,500,000
Actual audit benefits (i.e. cost savings and revenues received)	\$30,300,000	\$9,500,000	\$10,056,333	\$9,500,000
Number of businesses or other entities brought into compliance or assisted	2,655	4,000	2,200	4,000

Strategic Support CSA

Core Service: Audit Services Office of the City Auditor

Performance and Resource Overview (Cont'd.)

Audit Services Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 2,152,089	\$ 2,026,582	\$ 2,205,232	\$ 1,942,805	(4.2%)
Non-Personal/Equipment	53,942	70,222	92,531	92,531	31.8%
Total	\$ 2,206,031	\$ 2,096,804	\$ 2,297,763	\$ 2,035,336	(2.9%)
Authorized Positions	18.00	18.00	17.00	16.00	(5.6%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Audit Staffing Resources	(1.00)	(149,335)	(149,335)

This action eliminates a Supervising Auditor position, which has been vacant since November 2003. The duties of the position have already been reassigned and absorbed by other staff. (Ongoing savings: \$149,335)

Performance Results:

Customer Satisfaction The vacancy may impact the Office's ability to accomplish its objectives, i.e. to identify ways to increase the economy, efficiency, effectiveness, and accountability of City government, since work that would have been performed by the Supervising Auditor must continue to be absorbed by other staff.

2. Program Performance Auditor Position Reallocation	(35,891)	(35,891)
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This action permanently reallocates a Program Performance Auditor II to a Program Performance Auditor I position. The cost of the Program Performance Auditor II position in 2004-2005 is \$106,891, while the cost to fill the position at the first salary step of Program Performance Auditor I is about \$71,000. The net savings from staffing this position at a lower level, therefore, is \$35,891. The Program Performance Auditor I will work primarily on sales tax audits, including the supervision of the intern program whose main focus are these revenue-related activities. The Program Performance Auditor I will also assist the other audit staff with performance audits. (Ongoing savings: \$35,891)

Performance Results:

Customer Satisfaction, Cost Reallocating this position will enable the Office of the City Auditor to reduce costs, continue to accomplish its revenue-related objectives and expand its capabilities to protect the City's revenue base.

Strategic Support CSA

Core Service: Audit Services

Office of the City Auditor

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
3. Reduced Audit Work Hours		(29,256)	(29,256)
<p>This action reduces work hours for some staff members who have requested unpaid time off. The process by which work hours will be reduced while Office objectives continue to be met will be determined during 2004-2005 through a review of current work procedures to identify ways to enhance the efficiency of audit services. (Ongoing savings: \$0)</p>			
<p>Performance Results: Cycle Time The reduction to staff work hours may have a small impact on the number of audit findings, however the Office will review its work plan and encourage its staff to find ways to be more creative and productive in achieving Office objectives.</p>			
4. Management Salary Increases		(24,145)	(24,145)
<p>This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005. This elimination is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$24,145)</p>			
<p>Performance Results: Cost This change reduces budgeted costs without any effect on service delivery. A longer-term suspension of these benefits, however, could affect the City's ability to retain these managers.</p>			
5. Professional Development Program Suspension		(23,800)	(23,800)
<p>During 2004-2005, Professional Development Program (PDP) reimbursements for all management employees are being suspended for one year. This is the second year in a row that PDP reimbursements have been eliminated for unrepresented management employees. The PDP reimburses eligible employees for up to \$1,400 per year of expenses for professional conferences and educational programs, computer hardware and software, and professional subscriptions and memberships. (Ongoing savings: \$0)</p>			
<p>Performance Results: Cost This change reduces budgeted costs without any effect on service delivery. A longer-term freeze, however, could affect the City's ability to retain these managers.</p>			
2004-2005 Adopted Core Service Changes Total	(1.00)	(262,427)	(262,427)

Strategic Support CSA

Core Service: Strategic Support *Office of the City Auditor*

Strategic Support represents services provided within the Office that support and guide the provision of the core service. Strategic support within the Office of the City Auditor includes:

☐ Administrative Support

☐ Network Support

Performance and Resource Overview

Strategic support is an ongoing requirement to provide the core service of the Office. For 2004-2005, no resource changes were approved.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 20,282	\$ 315,563	\$ 322,226	\$ 322,226	2.1%
Non-Personal/Equipment	0	3,497	3,497	3,497	0.0%
Total	\$ 20,282	\$ 319,060	\$ 325,723	\$ 325,723	2.1%
Authorized Positions	2.00	2.00	2.00	2.00	0.0%

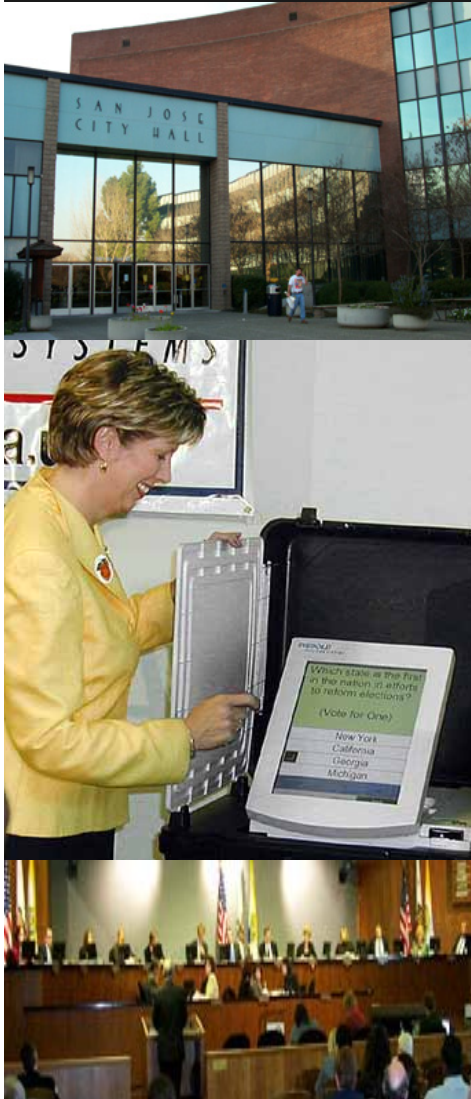
* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Office of the City Clerk



Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
Office of the City Manager
Office of the Independent
Police Auditor

Mission: *Provide strategic support services and leadership to maximize public access to municipal government.*

The City Clerk is one of six City Council appointees. The Office of the City Clerk provides strategic support services to the legislative body, facilitating interaction between the legislative process and the community. The Office also conducts elections for Mayor, City Council and various ballot measures. The duties of the Clerk are outlined in the City Charter, the California Government Code and the City of San José Municipal Code. All City departments contribute to the City Clerk's delivery of services to the community.

Core Service — Facilitate the City's legislative process

Internal Partners — Mayor and City Council; City departments; designated city employees

External Partners — Public; media representatives; other governmental agencies; Mayor and Council candidates; Commissioners; bidders and contractors

Key Services —

- Integrity of the City's legislative process is preserved and the process is readily accessible to the public.
- Elections are conducted in accordance with the City Charter and the State Elections Code for Mayor, Council Member, Charter amendments, bonds and ballot measures.
- Agendas, synopses and narrative minutes of City Council meetings are prepared and made available.
- Recruitment and appointment processes for boards and commissions are administered, both through Project Diversity and through direct Council interview and appointment processes.
- Council's Rules Committee, Elections Commission, Civil Service Commission and City Council Salary Setting Commission are staffed.
- Municipal Code, City Charter, Council Policy Manual and all documents presented to Council are indexed for storage and retrieval, published when appropriate and made available to the public.
- Campaign finance and conflict of interest filings are reviewed and made available.
- Bids are opened for construction projects city-wide and contract documents are reviewed and filed.

Strategic Support CSA
Office of the City Clerk
FIVE-YEAR BUSINESS PLAN

Current Position *How are we doing now?*

San José is dealing with the worst economic recession in decades, which has a major effect on the City's budget and ability to deliver services. The City's fiscal condition has translated to additional resource constraints in the Office of the City Clerk. Managing the Office of the City Clerk's response to the City's fiscal condition, while maintaining mandated services and preserving/improving customer service levels, is the major focus for the Office.

Over the next five years, the Office of the City Clerk will continue to perform the statutory duties required by law, and will do so with more reliance on technology. The increased demand to deliver services electronically will influence how services are delivered, not what services are delivered. The City Clerk's role in the legislative and elective processes requires neutrality and independence as key qualities in conducting the business of the Office. In a political arena, the City Clerk is the non-political and objective component.

Given the increased demand to deliver services electronically, the budget adopted by City Council includes additional resources for an office automation and electronic filing system, including acquiring any software and hardware resources that will facilitate these improvements. The Office is aware of systems that are web-enabled to allow access to anyone wanting to search the City's legislative history and that require one point of data-entry. This funding will enable the Clerk to streamline the agenda and minute process, reduce a paper intensive system, provide cross training and begin electronic filing of important documents. Through the increased use of technology applications, the entire City could simplify its City Council Agenda process and improve its ability to maximize public access to municipal government.

Selected Community Indicators *What external conditions influence our strategies?*

Some examples of key community indicators that assist the Office of the City Clerk with tracking trends and assessing performance are:

- Legislative Process: requests for information; customer satisfaction; timely report distribution; and favorable progress on process improvements.
- Boards and Commissions: number of applicants for boards and commissions; number of vacancies; and overall progress on implementing the Boards and Commission referral to strengthen their mission.
- Internet Services: number of website hits; ability to post reports in a timely manner; and ability to improve or expand Internet services and resources.
- Percentage of residents with cable television: number of Civic Center Channel viewers; and ability to broadcast City Council meetings.

Trends / Issues / Opportunities ***What developments require our response?***

As the Office of the City Clerk plans for the next five years, the overarching issue remains to enhance the use of technology to improve and expedite service. Specific examples of trends, issues and opportunities include:

- Introduction of Electronic Voting by the Registrar of Voters
- The community's rising expectations for services online and in "Internet" time
- Changes in technology that make available new methods of service delivery
- Potential restructuring of the role of Boards and Commissions
- Legal constraints on changing some processes for the delivery of services

The most important internal issue for the Office is the ability to remain flexible and agile, in light of staff and resource reductions, so that it can respond to customer demand and respond quickly and intelligently. A program of additional cross-training for staff members has been initiated and will provide a more seamless transition to a downsized office.

Given the existing lack of automated processes, most of the Office's functions are conducted manually and are labor-intensive, and customer service relies heavily on a human response rather than technical capabilities. Reduced staffing, coupled with the lack of automation, directly impacts the Office's ability to maximize public access to municipal government. However, recent examples of greater use of technology and increased efficiencies demonstrated that the Office is committed to improved service delivery. Beginning in January 2004, the Office of the City Clerk began taking Council Meeting minutes on a laptop during Council meetings. The results of this pilot are still being evaluated, but a four to five month backlog in minutes was recently closed and minutes are now current. The Office has high expectations that this process will expedite the production of documents and movement toward enhanced automation. Further planned developments in office automation in 2004-2005 will enhance the Office's efficiency in other areas including tracking Council actions, indexing and retrieving contracts, memorandums and reports presented to Council, and maintaining the Legislative History with a web-enabled component for public access and searches.

Policy Framework ***What policies guide our strategies?***

The Office of the City Clerk operates within the framework of State and local law and Council policy:

- California Government Code
- California Elections Code
- City Charter
- San José Municipal Code
- Council Policy Manual

Key Strategic Goals & Objectives ***Where are we going?***

The Office of the City Clerk has three strategic goals and objectives that cover the Office's tasks:

- Deploy technology resources effectively
- Increase efficiency of service delivery
- Maintain high customer service

Strategic Support CSA
Office of the City Clerk
INVESTMENT STRATEGY

Overview

The Office of the City Clerk's 2004-2005 investments reflect a strategy to preserve the mandated services and responsibilities of the Office along with reductions in administrative support services that can be redirected/absorbed by other functions. The continued investment in the Office of the City Clerk allows for the remaining 12 positions to provide services directly related to the Office's single outcome, which is: The municipal legislative process is accessible and open to the community.

Key Investments & Objectives *How will we accomplish our goals?*

The approved investment strategy as well as accompanying budget changes presented in the core service section of the narrative result in the ability to maintain and even improve legally mandated functions and target key areas for service improvement. The approved budget reductions were strategically selected to minimize the impact to mandated services that the Office must perform.

Outcome 1: The municipal legislative process is accessible and open to the community.

The continued investment in the Office of the City Clerk allows for the remaining 12 positions to provide services directly related to the Office's single outcome:

- Creating and distributing Council agendas, synopses, minutes for all Council meetings.
- Publishing all legally required Notices in adjudicated newspapers.
- Creating and maintaining a legislative history of Council actions and indexing and filing all public records, including all City contracts, such that the records can be retrieved in a timely manner and the history is available and allows staff to provide research services for both internal and external customers.
- Posting all changes to the San José Municipal Code on the web upon adoption of each ordinance and printing updated Code pages for Code holders.
- Successfully conducting municipal elections for Mayor, Council Members, ballot measures.
- Accepting, reviewing and making available all Statements of Economic Interests and Campaign Disclosure forms required by the 1974 Political Reform Act.
- Processing the Governmental Lobbyist filings and posting updated listings of registered lobbyists on the web.
- Conducting the recruitment, application and selection process for Boards and Commissions.
- Conducting employee and retiree elections for Retirement Boards and two commissions that include members representing City employees.
- Providing administrative support services to the Elections Commission, Civil Service Commission, Rules Committee, Project Diversity Screening Committee and when required, Council Salary Setting Commission, Redistricting Advisory Panel and the Charter Review Committee.
- Providing strategic support budgeting, accounting, purchasing and personnel services to the Mayor's Office and the individual Council Offices as well as to the City Clerk's Office.

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

Core Service Purpose

Maximize public access to the City's legislative processes by maintaining the legislative history of the City Council and complying with election laws.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Prepare and distribute City Council meeting agenda, packet, synopsis and minutes | <input type="checkbox"/> Respond to requests for information from customers |
| <input type="checkbox"/> Index and input legislative actions of the Council into filing systems | <input type="checkbox"/> Conduct all municipal elections in coordination with the County |
| <input type="checkbox"/> Conduct board and commission recruitments/appointments | <input type="checkbox"/> Accept, review, and make public all campaign finance forms and all Statements of Economic Interests |
| <input type="checkbox"/> Open bids and process contract documents for the City | <input type="checkbox"/> Conduct employee/retiree elections for Retirement Boards |
| <input type="checkbox"/> Publish all legally required notices for the City | <input type="checkbox"/> Provide staffing to the Council's Rules Committee, the Civil Service Commission, the San José Elections Commission and Project Diversity Screening Committee |
| <input type="checkbox"/> Provide administrative support services to the Mayor's Office and to individual City Council Offices | |

Performance and Resource Overview

The Office of the City Clerk assists the City Council in accomplishing the legislative process and making that process readily accessible to the public. Personnel, fiscal and budgetary support services are provided to the Mayor's Office and the individual Council Offices. City-wide Board and Commission recruitment and appointment processes are administered and staffing is provided to the Boards, Commissions and Committees the Office oversees; i.e., the Council's Rules Committee, the Civil Service Commission, the Project Diversity Screening Committee, the San José Elections Commission, and the City Council Salary Setting Commission (in odd-numbered years.) Elections are conducted in accordance with the City Charter, the Municipal Code, and the Election Code of the State of California for the purpose of electing City Council Members and the Mayor at the appropriate times and to submit measures to the electorate.

Ongoing issues include making the legislative process more accessible to the community while meeting weekly deadlines; filing and retrieving records of City Council actions and supporting material dating from the 1850s to the present; and researching methodologies for taking advantage of available technologies. The Office continues to work closely with the City Manager's Office and the Information Technology Department to streamline the Council and Committee agenda/packet process and to place more information on the City Clerk's web page. While the immediate result of

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process

Office of the City Clerk

Performance and Resource Overview (Cont'd.)

this action is an increase in access to the documents that make up current agenda packets, in the future this will build and improve access to the City Council's Legislative History. In 2004-2005, these efforts should revise the percent of customers rating accessibility of information services provided as good or excellent from an estimated 72% to 85%. Continuing to review and administer highly complex election laws remains an important issue in any City Clerk's Office, but San José's current review of campaign finance, lobbyist and election ethics regulations and enforcement will be an important issue for this Office in the upcoming fiscal year.

Opportunities to optimize the use of technology are currently limited to what can be automated and/or improved with current resources. The process by which City Council actions are tracked, contracts are indexed and retrieved, and memorandums and reports are presented to Council is quite complex and labor-intensive. Consistent with the Mayor's June Budget Message, additional funding of \$85,000 has been added to enable the Office to initiate the development of an automation and electronic document management system that will help to streamline several of these processes. The Office will explore "best practices" used by other large cities, consider partnerships with outside sources and work closely with the Information Technology department. Providing citizens with easy access to information remains a high priority goal for the Office of the City Clerk.

As an Office that provides strategic support services, the operational workload is driven by the needs of customers. The activity and workload statistics monitor the transactions performed by City Clerk's staff and are often unrelated to the economic situation. For example, the number of contracts processed will remain at a constant 3,000 in 2003-2004 and 2004-2005, while the number of meetings staffed and board/commission applications processed will increase between 2003-2004 and 2004-2005 (from 160 to 175 and from 195 to 200, respectively). The need to respond to the volume of transactions regardless of the resources available encourages the Office to explore alternative, more efficient methods of providing services. Included in this budget is the elimination of a filled Office Specialist II position in the Legal Support Section, elimination of a vacant part-time Legislative Secretary position, elimination of the management Professional Development Program reimbursements on a one-time basis, and the addition of funding to initiate an office automation and electronic filing system.

Performance Measure Development

The Office continues to refine the performance measures used to track services provided and a few adjustments have been included. The new measure "% of Council and Committee reports available on the web 7 days before the meeting" replaces three different measures on the same subject. The new measure shortens the lead time required for posting memorandum and consolidates the three different targets into one broader measure to capture the percentage of all reports posted prior to a Council or Committee meeting. Customers are better informed about pending Council and Committee actions if the memorandums and reports for agenda items are available on the web within a reasonable period of time before the meeting. By measuring the percentage of reports available at least one week before the meeting, success at maximizing access to the legislative process is better tracked.

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

Performance and Resource Overview (Cont'd.)

Performance Measure Development (Cont'd.)

The current system for tracking measures requires manual counting to gather data. The Office would also like to research possible ways of developing a data collection methodology to improve response and turn-around times.







New questions on the 2003-2004 survey asked customers about the availability of information on the City Clerk's website that resulted in a decrease in customer satisfaction. However, as more information is made available on the web, the percentage of customers rating accessibility as good or excellent is expected to increase.

The Activity and Workload Highlight "number of requests for information" was dropped since the data, it was discovered, remained static from year to year and proved not useful for decision making since the Office responded to 100% of requests received regardless of the quantity. Also, the Activity and Workload Highlight "number of column inches published" was changed to "cost of legal publications" since tracking the cost instead of the volume is a more meaningful measure and can be better used for strategic management decisions.

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of Council and Committee reports available on the web 7 days before the meeting	N/A*	N/A*	80%*	80%
 Estimated cost to document & track legislative actions per Council meeting	\$8,749	\$9,386	\$8,456	\$7,761
 % of information retrieval requests fulfilled within the time specified				
- Available in office – 24 hours	new	90%	90%	90%
- Retrieval from storage – 72 hours	new	90%	90%	90%
 % of Council reports available at least 72 hours prior to a Council Meeting	81%	88%	85%	90%
 % of customers rating the accessibility of information services provided as good or excellent	86%	90%	72%	85%
 % of customers rating the Clerk's service delivery as efficient	84%	90%	84%	85%

* Use of new software for posting Committee reports on the web has only recently been implemented. Data for the availability of reports performance measure will be available by the end of 2004. See also Performance Measure Development section. Before the change in the performance measure, the 2003-2004 target was 80%.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of meetings staffed	176	175	160	175
Number of board/commission applications processed	246	200	195	200
Number of contracts processed	4,068	3,500	3,000	3,000
Number of Council agenda items	1,671	1,900	1,500	1,700
Number of Statements of Economic Interests processed	1,745	1,700	1,500	1,500
Number of campaign filings processed	252	250	250	250
Cost of legal publications	**	**	\$115,000	\$110,000

** Data is not available as this new measure replaces the older measure "number of column inches published." See Performance Measure Development section.

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 1,313,449	\$ 1,066,477	\$ 1,098,272	\$ 1,006,970	(5.6%)
Non-Personal/Equipment	296,562	439,882	770,675	855,675	94.5%
Total	\$ 1,610,011	\$ 1,506,359	\$ 1,868,947	\$ 1,862,645	23.7%
Authorized Positions	14.50	13.00	12.50	11.00	(15.4%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Services

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Administrative Support Staffing	(1.00)	(53,244)	(53,244)

This action eliminates 1.0 filled Office Specialist II position in the Legal Support section. The position is responsible for publishing legal notices and processing claims filed against the City; opening bids for construction contracts and updating the contracts database; and providing customer support services. The legal support responsibilities of the position will be absorbed by the remaining staff in that section and the customer service functions will be rotated and shared among all staff. To ensure that there is adequate coverage, telephone assistance will be provided by the Call Center, especially for answering the many phone calls that relate to government services but do not relate to the City Clerk's functions or to the City of San José. (Ongoing savings: \$58,146)

Performance Results:

Cycle Time Reassignment of the responsibilities may result in an increase in turn-around time for other clerical/analytical assignments in the Office.

Strategic Support CSA

Core Service: Facilitate the City's Legislative Process *Office of the City Clerk*

Budget Changes By Core Services (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
2. Legislative Support Staffing	(0.50)	(35,258)	(35,258)
<p>This action eliminates 0.5 vacant part-time Legislative Secretary position. In the 2003-2004 General Fund Rebalancing Plan, a part-time Legislative Secretary position was created from a full-time Legislative Secretary position. The position was filled for a short period of time before the incumbent accepted another job within the City. The duties of this position have already been reassigned to other staff. Elimination of the vacant position should not produce any additional delays in the production of Council meeting minutes. (Ongoing savings: \$35,258)</p> <p>Performance Results: Quality Impacts to City Clerk's operations are expected to be minimal.</p>			
3. Professional Development Program Suspension		(2,800)	(2,800)
<p>During 2004-2005, Professional Development Program (PDP) reimbursements for all management employees are being suspended for one year. This is the second year in a row that PDP reimbursements have been eliminated for unrepresented management employees. The PDP reimburses eligible employees for up to \$1,400 per year of expenses for professional conferences and educational programs, computer hardware and software, and professional subscriptions and memberships. (Ongoing savings: \$0)</p> <p>Performance Results: Cost This change will reduce budgeted costs without any effect on service delivery. A longer-term suspension of these benefits, however, could affect the City's ability to retain these managers.</p>			
4. City Clerk Automation		85,000	85,000
<p>This action provides funding to initiate an office automation and electronic filing system. The system by which the Office currently processes City Council minutes and agendas, files legislative documents, and indexes contracts is very labor-intensive. The development of this system will enable the Office to streamline a significant portion of its legislative procedure. (Ongoing cost: \$0)</p> <p>Performance Results: Cycle Time This change will reduce the dependence on a paper-intensive system and will increase the Office's production and efficiency in processing legislative documents.</p>			
2004-2005 Adopted Core Service Changes Total	(1.50)	(6,302)	(6,302)

Strategic Support CSA

Core Service: Strategic Support *Office of the City Clerk*

Strategic Support represents the services provided within the Office that support and guide the provision of the core services.

☐ Long Range Planning & Policy Development

☐ Financial Management
☐ Employee Services

Performance and Resource Overview

Strategic support is an ongoing requirement to provide the core service of the Office. For 2004-2005, there are no reductions.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 5,094	\$ 162,995	\$ 100,524	\$ 100,524	(38.3%)
Non-Personal/Equipment	104	13,131	18,131	18,131	38.1%
Total	\$ 5,198	\$ 176,126	\$ 118,655	\$ 118,655	(32.6%)
Authorized Positions	2.00	2.00	1.00	1.00	(50.0%)

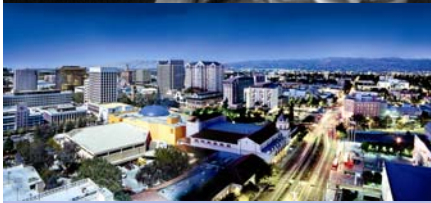
* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Office of the City Manager



Primary Partners

Mayor and City Council
Office of the City Attorney
Office of the City Auditor
Office of the City Clerk
**Office of the City
Manager**
Office of the Independent
Police Auditor

Mission: *Provide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs.*

The Office of the City Manager is responsible for supporting the Mayor and City Council in creating public policy to enhance the quality of life in San José, and for executing that policy direction by leading the City organization in providing excellent services to our residents.

The City faces a number of very important challenges over the next five years. Two of these challenges also represent opportunities for the City to fundamentally change the way it delivers services.

The first is represented in this budget document: finding innovative ways to maintain City services at as high a level as possible in the face of shrinking resources. In addition to the strategies outlined in this document, we are proactively working to improve the economic landscape for City government and for our residents and businesses through the implementation of the City's Economic Development Strategy. The Strategy was developed by the Office of Economic Development, an arm of the City Manager's Office, and was approved by the City Council last year, along with a wide array of programs in response to the Mayor's Getting Families Back to Work sessions.

Another opportunity for organizational transformation is the move into the new Civic Center in 2005. The City Manager's Office is working on a number of fronts to ensure that the new Civic Center helps us deliver better services to residents and businesses. We are creating a Civic Center that is designed and organized based on the needs of our customers, rather than on the organizational structure of individual departments.

In other areas, the City Manager's Office continues to ensure that the Mayor and City Council are well-supported, manage the City's vast capital improvement program in this Decade of Investment, advocate with State and federal leaders to ensure that the City's interests are supported, and work in partnership with our employees to face our fiscal challenges.

Strategic Support CSA
Office of the City Manager
FIVE-YEAR BUSINESS PLAN

Current Position

- In a December 2003 City survey, 75% of residents rated San José's quality of life as good or excellent. 73% of residents are satisfied with the overall quality of the City's services.
- In the most recent employee survey, 87% of employees agreed that the City is a good employer, and 80% are satisfied with their jobs.
- This budget closes a shortfall of \$69.8 million, but shortfalls are forecast for each of the next five years given current revenue and expenditure projections.
- San José remains the safest big city in the country, based on FBI crime statistics.

Selected Community Indicators

- Jobs in San José declined by 2.5% against the previous year, and the unemployment rate, while lower over the past quarter than at any time since January 2002 at 6.8%, is still above the State and national rates.
- The City's Jobs/Housing Balance remains tilted toward housing, as the most recent analysis shows that San José housed 53% of Santa Clara County's population compared to 44% of its jobs.

Trends / Issues / Opportunities

- Forecasted budget shortfalls for the next five years highlight the ongoing structural imbalance in the City's budget, as expenditure obligations rise faster than revenues.
- Although there are preliminary signs of economic improvement, the most important driver, total jobs, remains at the lowest level in the past four years.
- The State continues to face a significant budget shortfall, and cities remain vulnerable to State budget cuts.
- The new Civic Center represents a "once in 50 years" opportunity to create an environment that provides a central access point to serve residents and businesses, a gathering place for the community, and a successful working environment for our employees.
- Residents continue to partner with the City to work on improving their communities through the Strong Neighborhoods Initiative, in spite of dwindling resources for physical improvements.
- The City's large investment in capital infrastructure continues. As many of these projects move through construction to completion, it will be increasingly important to look at how operating and maintenance costs will be covered for the new facilities.
- The Airport Master Plan is the largest capital project ever undertaken by the City of San José. The opportunity is to create an airport that serves as an economic driver for the region, connects seamlessly to as many ground transportation options as possible, becomes a premier gateway to Silicon Valley, and continues to be a good neighbor to the community.
- San José is one of the most diverse cities in the country, and is continuing to become more diverse as its demographics change.
- Pursuing smart growth and continuing to provide for the housing needs of our community at all income levels remains a high priority.

Policy Framework

- Economic Development Strategy
- Adopted Operating & Capital Budgets
- 2020 General Plan
- Adopted Strong Neighborhoods Initiative Plans
- Airport Master Plan
- City of San José 2002-2005 Consolidated Plan
- NPDES Wastewater and Storm Water permits
- Sustainable City Strategy
- Fire Five-Year Strategic Master Plan
- Neighborhood Policing Operations Plan
- Greenprint for Parks and Community Facilities Programs
- San José Public Library Master Plan
- City of San José Traffic Level of Service Policy

Key Strategic Support Goals & Objectives

This section organizes the key goals and objectives of the City Manager's Office based on the six corporate priorities we have identified for the City organization. These priorities guide the efforts of CSA's and departments in providing service.

- **Support for effective Council policy-making** – Key initiatives within this priority are listed below.
 - Improve the City's economic position – We will aggressively implement the strategic initiatives and tactics of the Economic Development Strategy (EDS) and the directives resulting from the Getting Families Back to Work study sessions. Our primary focus will be the EDS's fifteen strategic initiatives, four of which the City Council has designated as the highest priorities in 2004:
 - Develop strategic partnerships with San José State and other universities to drive innovation and economic impact
 - Evolve and position downtown as a unique creative and cultural center of Silicon Valley
 - Support start-up and growth of local businesses, small and large, in tech as well as non-tech fields
 - Diversify San José's economic base and preserve/create middle-income jobs
 - Improve the City's budgetary position – This budget shows how the City organization is consolidating, re-engineering, and innovating to try to preserve as high a level of service to our community as possible in the face of reduced resources. However, it also shows that those reduced resources cannot sustain the same level of service we have been able to provide in the past. A goal for the next five years is to find ways to reverse the continuing imbalance in our operating budget between revenue and expenditure growth.
- **Performance-driven government** – This budget reflects the continuing evolution of the City's performance-based budgeting and service delivery framework. For 2004-2005, the transition to a performance-based budget is complete and the budget document is now formally organized around the seven City Service Areas rather than as previously by departments. We will be working over the next five years to continue to provide information that helps the City Council focus its resource decisions on the level of service we wish to provide, and the results that residents can expect from that service. Toward that end, we will continue to refine our ability to measure our performance, both against other cities and against the standards we set for ourselves.

Strategic Support CSA
Office of the City Manager
FIVE-YEAR BUSINESS PLAN

Key Strategic Support Goals & Objectives (Cont'd.)

- **Neighborhood-focused service delivery** – The Strong Neighborhoods Initiative is working on a new structure to deliver service that breaks down barriers between City departments and the Redevelopment Agency, and on new ways of partnering with the community to improve neighborhoods. Even though shrinking Redevelopment Agency resources will slow the progress of capital improvements included in the approved SNI neighborhood Top Ten lists, other important improvements are continuing. The long term goal of SNI remains to help neighborhoods strengthen themselves in partnership with City government.
- **Customer service** – The “One Voice” pilot projects are examples of ways we are looking at providing service in ways that are tailored to customer needs, rather than based on organizational structure and divisions between departments. The One Start Center for development services is another example of this direction, and we expect that these initiatives will grow in importance over the next five years, as we implement the Customer Service Center in the new Civic Center, and the whole organization begins to see the benefits and possibilities of this approach to delivering service.
- **Employer of choice** – A key initiative in this area is to develop our own employees to become the City leaders of the future. The City already offers a leadership and supervision academy for new supervisors, a ten-week class focusing on building leadership and supervisory skills in the areas of corporate priorities, problem solving, communication and interpersonal skills. We are also working to develop a graduate public management course in cooperation with San Jose State to prepare employees for Director and Deputy Director positions.
- **Effective use of technology** – In the short term, recent efforts have produced improvements in areas such as development-related services and capital project tracking. The long term goals for technology focus on improvements to be made in the City’s IT infrastructure with the move to the new Civic Center and continuing e-Government initiatives to make City services accessible on line.

Overview

The City Manager's Office Investment Strategy is designed to contribute to a balanced budget, preserve flexibility to provide support to the Mayor and Council, lead the organization's service delivery, and position the City Manager's Office to function in new ways as we prepare to move into the new Civic Center. Targeted service reductions are proposed in order to provide expenditure savings, and we have made every effort to mitigate these to the extent possible. Individual job portfolios continue to expand in an effort to maintain the City Manager's Office's flexibility to meet demands. The City Manager's Office is beginning to build more team-based models to complete projects and provide services, and these models increasingly cut across previous specializations and spheres of work, both for individual employees and for workgroups such as the City Manager's Budget Office and the Office of Economic Development.

Key Investments & Objectives

Outcome 1: The Community Receives Customer-Focused, Results-Driven Services

- **One Voice** — The Office will continue to coordinate the “One Voice” efforts, analyzing the results of the designated pilot projects and looking for opportunities to expand the concept into other service areas.
- **New Civic Center** — A temporary new position has been authorized to help lead the cultural transformation into the new Civic Center, and efforts continue on the Customer Service Center and other elements to ensure a strong customer focus.
- **Strong Neighborhoods** — Working toward a reconfigured organization to support the Strong Neighborhoods Initiative has allowed the elimination of a vacant position (part of the General Fund 100 vacant position reduction plan approved by the City Council in March).
- **Public Outreach** — Service reductions are necessary in this area, including discontinuing the distribution of the Inside San José newsletter (it will remain available on line) and reducing the staff assigned to document production, web page design and support, and assistance with media relations from two to one.
- **Capital Improvement Program** — Considerable resources will continue to be devoted to this area. Two Deputy City Managers continue to have their primary focus in the capital area, and the CIP Action Team will continue to work to keep the City Council, City staff, and the public informed about the progress of capital projects. A funding shift for the Budget Director and Assistant Budget Director is proposed to reflect the increased volume of work related to this area.

Outcome 2: The Mayor and City Council are Effectively Supported in Making Public Policy Decisions

- **Council Liaison** — Current resources for this program are maintained in order to continue to provide support for the City Council agenda, City Council referrals, and a variety of other work in support of the Mayor and City Council's activities.
- **Intergovernmental Relations** — The base level of investment will continue, with the key focus being advocacy for the City's needs in the State's efforts to resolve its budget shortfall.
- **Budget/QUEST** — The merger of these two offices continues, allowing the elimination of a vacant support position as part of the General Fund 100 vacant position reduction plan approved by the City Council in March. We will continue to work toward providing information and data that supports the City Council's efforts to integrate performance measurement into budget decisions.

Key Investments & Objectives (Cont'd.)

Outcome 3: Employees Understand, are Committed to and Accountable for the City's Vision, and have the Capacity to Achieve it

- **Employee Relations** – The Office of Employee Relations continues to work in partnership with the City's employee bargaining units to collectively find ways to deal with our current budget challenges. The elimination of a vacant position has been approved in this budget, which will reduce the capacity of the City Manager's Office to work with bargaining units, provide advice for departments on disciplinary issues and other labor relations processes, and perform analysis and research on grievances and other employee relations issues.
- **New Civic Center** – The temporary new position described above will be responsible for communicating with employees to help prepare them for the new organizational culture and new environment of the new Civic Center.
- **Outreach** – The position cut described above will reduce the resources of the City Manager's Office devoted to communicating with staff. However, we will continue these efforts through vehicles like the Straight Talk about the Budget section on the City's intranet web site.
- **Training** – The City Manager's Office will remain closely involved with Employee Services in supporting the existing Leadership & Supervision Academy and launching the new training program aimed at preparing employees for Director and Deputy Director positions.

Strategic Support CSA

Core Service: Analyze, Develop, and Recommend Public Policy *Office of the City Manager*

Core Service Purpose

Analyze, Develop, and Recommend Public Policy - Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy.


Key Operational Services:

- ☐ Council Relations and Council/Committee Support
- ☐ Intergovernmental Relations
- ☐ Public Policy Development
- ☐ Budget

Performance and Resource Overview

The City Manager's Office works to ensure that the City Council can rely on thorough, strategic, and impartial staff work in support of its decisions on City policy. The Council Relations and Budget staff focus on those goals, as well as assisting the City Council and its committees with logistics and other information needs. In addition, the Intergovernmental Relations staff assists the City Council in its efforts to influence policy-making and legislation in other government jurisdictions.

In the City's current economic condition, providing support to the City Council in making decisions about how to allocate scarce resources is particularly important. For that reason, positions assigned to this core service have not been reduced. The budget actions within this core service have, however, eliminated management salary increases, consistent with the city-wide strategy, shifted funding to reflect the increased time spent by the Budget Director and the Assistant Budget Director related to the capital budget, and reduced the non-personal/equipment budget. These actions should have no significant effect on the current level of service being provided.

Analyze, Develop, and Recommend Public Policy Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of variance from budgeted unrestricted ending fund balance for the General Fund	4.6%	10%	10%	10%

Strategic Support CSA

Core Service: Analyze, Develop, and Recommend Public Policy *Office of the City Manager*

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of City Council agenda reports approved	1,936	2,000	2,000	2,100
Number of City Council referrals assigned	99	65	120	130
Number of City-sponsored bills	3	5	4	4
Number of legislative items reviewed	3,250	3,200	3,620	3,300

* This amount differs from the amount reported by the Office of the City Clerk because General Plan agenda items are included.

Analyze, Develop and Recommend Public Policy Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	2,782,460	\$ 3,065,613	\$ 3,137,004	\$ 3,108,641	1.4%
Non-Personal/Equipment	337,090	332,530	342,480	324,685	(2.4%)
Total	3,119,550	\$ 3,398,143	\$ 3,479,484	\$ 3,433,326	1.0%
Authorized Positions	25.85	25.85	26.30	26.30	1.7%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Analyze, Develop, and Recommend Public Policy *Office of the City Manager*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Budget Director and Assistant Budget Director Funding Shift		0	(57,759)
<p>This action shifts the funding for the Budget Director and Assistant Budget Director from 70% General Fund and 30% capital funds to 55% General Fund and 45% capital funds. These changes properly reflect the amount of time spent by these two positions on activities related to the funding sources. (Ongoing savings: \$0)</p> <p>Performance Results: Cost This change properly allocates funding based on level of effort devoted to the funding sources involved.</p>			
2. Management Salary Increases		(28,363)	(28,363)
<p>This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005, which is the salary presumption for all employees next year. This action is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$28,363)</p> <p>Performance Results: Cost This change reduces budgeted costs without any effect on service delivery. A longer-term salary freeze, however, could affect the City's ability to retain these managers.</p>			
3. Non-Personal/Equipment Efficiencies		(17,795)	(17,795)
<p>This reduction adjusts the budget for non-personal/equipment expenditures (such as supplies, travel, and consulting) to be more consistent with actual spending levels in the current year. (Ongoing savings: \$17,795)</p> <p>Performance Results: Cost This action will reduce costs without significantly changing current service levels.</p>			
2004-2005 Adopted Core Service Changes Total	0.00	(46,158)	(103,917)

Strategic Support CSA

Core Service: Lead and Advance the Organization *Office of the City Manager*

Core Service Purpose

Lead and Advance the Organization – Advance organizational vision, determine accountability, set organizational goals, and build organizational capacity.

Key Operational Services:

☐ QUEST Partnership

☐ Employee Relations

Performance and Resource Overview

Although this core service lists just two key operational services, it is clearly a central function of the City Manager's Office. Setting a vision and direction that unites the organization and focuses it on a common destination is the foundation for achieving all of the City's goals.

In another challenging budget year, the City Manager's Office is working with departments and CSA's to look at innovative ways to deliver services with limited resources. The City Manager's Office is also working in close partnership with employee representatives to develop collaborative approaches to these issues, and has established numerous avenues through which employees can provide direct input.





The most significant reduction within this core service was the elimination of a vacant Senior Executive Analyst position. This action will reduce the capacity of the City Manager's Office to work with bargaining units, provide advice for departments on disciplinary issues and other labor relations processes, and perform analysis and research on grievances and other employee relations issues.

The other reductions in this core service include the elimination of management employee salary increases and a reduction in the non-personal/equipment budget, as described elsewhere in this section.

Strategic Support CSA

Core Service: Lead and Advance the Organization *Office of the City Manager*

Performance and Resource Overview (Cont'd.)

Lead and Advance the Organization Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of employees who agree or strongly agree they understand and support the City's vision to be a customer-focused, results-driven organization	73%	73%*	73%*	75%
 % of employees who say they utilize performance measures to track results and make improvements	35%	35%*	35%*	40%
 % of employees who agree or strongly agree they are provided opportunities to make decisions about how to do their jobs	74%	74%*	74%*	75%
 % of administrative discrimination, harassment and accessibility complaint investigations resulting in a finding of cause	29%	10%	11%	10%

* Data reflect the fall 2002 Employee Survey, which is the most recent. The next Employee Survey is scheduled for fall 2004.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of "Step 3" grievances received**	24	30	12	20
Number of training sessions offered by the Office of Employee Relations***	92	100	50	60
Number of formal disciplines received	51	60	52	60
Number of external fair employment complaints filed	8	12	10	15

** Step 3 grievances are defined as the final step in grievance procedures for internal resolution. If the grievance is not resolved at Step 3, unions may appeal it to Arbitration. A grievance is defined as any dispute between the City and a union regarding the interpretation or application of the written Memorandum of Agreement or the Employer-Employee Resolution #39367, as amended.

*** The number of trainings decreased significantly from the prior year because new employee orientations are now being conducted every eight weeks rather than every two weeks.

Strategic Support CSA

Core Service: Lead and Advance the Organization *Office of the City Manager*

Performance and Resource Overview (Cont'd.)

Lead and Advance the Organization Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	1,577,822	\$ 1,661,072	\$ 1,758,554	\$ 1,629,323	(1.9%)
Non-Personal/Equipment	127,429	115,262	115,212	104,140	(9.6%)
Total	1,705,251	\$ 1,776,334	\$ 1,873,766	\$ 1,733,463	(2.4%)
Authorized Positions	16.40	15.40	14.40	13.40	(13.0%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Employee Relations Staffing	(1.00)	(107,794)	(107,794)

This action will eliminate a vacant Senior Executive Analyst position in the Office of Employee Relations. This will reduce the Office of Employee Relations' capacity to work with bargaining units, provide advice for departments on disciplinary issues and other labor relations processes, and perform analysis and research on grievances and other employee relations issues. (Ongoing savings: \$107,794)

Performance Results:

Quality/Cycle Time This change will limit the Office's ability to provide analysis and support for various employee relations issues, and could affect cycle times for various processes for which the Office of Employee Relations is responsible.

2. Management Salary Increases	(21,437)	(21,437)
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This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005, which is the salary presumption for all employees next year. This action is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$21,437)

Performance Results:

Cost This change reduces budgeted costs without any effect on service delivery. A longer-term salary freeze, however, could affect the City's ability to retain these managers.

Strategic Support CSA

Core Service: Lead and Advance the Organization *Office of the City Manager*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
3. Non-Personal/Equipment Efficiencies		(11,072)	(11,072)
This reduction adjusts the budget for non-personal/equipment expenditures (such as supplies, travel, and consulting) to be more consistent with actual spending levels in the current year. (Ongoing savings: \$11,072)			
Performance Results:			
Cost This action will reduce costs without significantly changing current service levels.			
2004-2005 Adopted Core Service Changes Total	(1.00)	(140,303)	(140,303)

Strategic Support CSA

Core Service: Manage and Coordinate City-Wide Service Delivery *Office of the City Manager*

Core Service Purpose

Manage and Coordinate City-Wide Service Delivery – Provide strategic direction and management for city-wide operations and service delivery.

Key Operational Services:

- | | |
|--|--|
| <input type="checkbox"/> Public Policy Implementation | <input type="checkbox"/> Major Capital Project Support |
| <input type="checkbox"/> Neighborhood Partnerships/Strong Neighborhoods Initiative | <input type="checkbox"/> Public Education & Community Outreach |

Performance and Resource Overview

The City Manager's Office leads and coordinates city-wide service initiatives, provides support to departments and CSA's in their service delivery, and provides outreach and other services directly in support of all of the City's services. The City Manager's Office must constantly adapt to changing events, service needs, and City Council priorities. The City Manager's Office's focus is on helping the City organization align to the right priorities, and providing the support it needs to be successful in meeting those priorities.

Key priorities for 2004-2005 include:

- Economic Development Strategy implementation
- Improving service delivery to focus on the needs of customers irrespective of the departmental structure
- Capital projects delivery
- Public safety services
- Strong Neighborhoods Initiative implementation
- Transportation improvements
- Housing improvements
- Airport Master Plan
- E-government initiatives

The City Manager's Office will continue to lead the City's implementation of the Economic Development Strategy, with the goal of getting families back to work. These efforts are more fully described in the Office of Economic Development section of this document.

A number of efforts will continue related to orienting service delivery based on the needs of our customers. The One Voice project, the One Start Center, and culture change efforts related to the move into the new Civic Center in 2005 will all contribute to making it easier for residents and businesses to conduct business with the City.

Strategic Support CSA







Core Service: Manage and Coordinate City-Wide Service Delivery

Office of the City Manager

Performance and Resource Overview (Cont'd.)

In support of the City's "Decade of Investment", particularly projects related to the park, library, and public safety bonds passed by the voters in recent elections, the City Manager's Office continues to dedicate a significant amount of resources to ensure that capital projects are delivered on time, on budget, and consistent with community needs. Two Deputy City Managers focus primarily on capital projects, and the CIP Action Team works with departments and the Mayor and City Council to keep projects moving and to keep the public informed of their status.

The most significant reductions related to this core service (the elimination of the *Inside San José* newsletter and 12% reductions in payments to the Arena Authority and Sports Authority, commensurate with the percentage reduction being applied to funding for community-based organizations) are described in the City-Wide section of this document. The only direct reductions to the budget for this core service are the salary freeze for management employees and the non-personal/equipment budget reduction detailed elsewhere in this section.

Manage and Coordinate City-Wide Service Delivery Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of core services meeting or exceeding levels established by the City Council	54%	60%	69%	70%
 % of core services using formal customer feedback mechanisms to make improvements in service delivery	94%	85%	81%	85%
 % of core services meeting or exceeding their cycle time targets	51%	60%	62%	65%
 % of residents that are satisfied or very satisfied with the quality of City services	75%	75%	75%*	75%**
 % of residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competence of City employees	80%	80%	78%*	78%**
 % of residents rating the quality of life in San José as good or excellent	77%	77%	73%*	73%**

* Data for these measures reflect the results of the 2003 Community Survey.

** Targets remain at 2003-04 actual levels, since the next Community Survey is scheduled for Fall 2005.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of contracts/agreements approved	1,401	1,400	1,065	1,000

Strategic Support CSA

Core Service: Manage and Coordinate City-Wide Service Delivery *Office of the City Manager*

Performance and Resource Overview (Cont'd.)

Manage & Coordinate City-Wide Service Delivery Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	2,737,409	\$ 2,913,205	\$ 2,747,387	\$ 2,852,856	(2.1%)
Non-Personal/Equipment	101,310	313,028	324,119	306,094	(2.2%)
Total	2,838,719	\$ 3,226,233	\$ 3,071,506	\$ 3,158,950	(2.1%)
Authorized Positions	25.25	23.25	21.30	22.30	(4.1%)

- The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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1. Management Salary Increases (23,662) (23,662)

This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005, which is the salary presumption for all employees next year. This action is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$23,662)

Performance Results:

Cost This change reduces budgeted costs without any effect on service delivery. A longer-term salary freeze, however, could affect the City's ability to retain these managers.

2. Non-Personal/Equipment Efficiencies (18,025) (18,025)

This reduction adjusts the budget for non-personal/equipment expenditures (such as supplies, travel, and consulting) to be more consistent with actual spending levels in the current year. (Ongoing savings: \$18,025)

Performance Results:

Cost This action will reduce costs without significantly changing current service levels.

Strategic Support CSA

Core Service: Manage and Coordinate City-Wide Service Delivery *Office of the City Manager*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
3. Community-Based Organization and Facility Management Consolidation	1.00	129,131	129,131
<p>This addition fulfills the direction in the Mayor's June Budget Message to restore funding and shift one FTE to the City Manager's Office to provide comprehensive oversight of the City's many agreements with community-based organizations for public services and for operations of City facilities (such as the Repertory Theater, Muni Stadium, banquet centers, golf courses, and museums). (Ongoing costs: \$129,131)</p>			
Performance Results:			
Quality This action will provide consistent and qualified oversight to protect our long-term and short-term goals, ensure that contractual requirements are fulfilled, and seek opportunities for efficiencies and innovation.			
2004-2005 Adopted Core Service Changes Total	1.00	87,444	87,444

Strategic Support CSA

Core Service: Strategic Support *Office of the City Manager*

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Office of the City Manager includes:

☐ Clerical Support

☐ Financial Management

Performance and Resource Overview

The strategic support functions of the City Manager's Office are essential to the successful provision of core services. For 2004-2005, the freeze of salaries for management employees and non-personal/equipment budget reductions discussed elsewhere in this document reduce the budget in this core service. In addition, the budget for the Professional Development Program (PDP) is carried within this core service. All management employees will also forgo PDP reimbursements during 2004-2005.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	346,857	\$ 423,485	\$ 312,380	\$ 254,301	(40.0%)
Non-Personal/Equipment	136,212	46,202	46,202	45,402	(1.7%)
Total	483,069	\$ 469,687	\$ 358,582	\$ 299,703	(36.2%)
Authorized Positions	3.50	3.50	2.00	2.00	(42.9%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Strategic Support *Office of the City Manager*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
1. Professional Development Program Suspension		(55,580)	(55,580)
During 2004-2005, Professional Development Program (PDP) reimbursements for all management employees are being suspended for one year. This is the second year in a row that PDP reimbursements have been eliminated for unrepresented management employees. The PDP reimburses eligible employees for up to \$1,400 per year of expenses for professional conferences and educational programs, computer hardware and software, and professional subscriptions and memberships. (Ongoing savings: \$0)			
Performance Results: Cost This change will reduce budgeted costs without any effect on service delivery. A longer-term suspension of these benefits, however, could affect the City's ability to retain these managers.			
2. Management Salary Increases		(2,499)	(2,499)
This action eliminates any salary step or performance pay increases, maintaining the salaries of all management employees at their current levels during 2004-2005. This elimination is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases. (Ongoing savings: \$2,499)			
Performance Results: Cost This change will reduce budgeted costs without any effect on service delivery. A longer-term salary freeze, however, could affect the City's ability to retain these managers.			
3. Non-Personal/Equipment Efficiencies		(800)	(800)
This reduction adjusts the budget for non-personal/equipment expenditures (such as supplies, travel, and consulting) to be more consistent with actual spending levels in the current year. (Ongoing savings: \$800)			
Performance Results: Cost This action will reduce costs without significantly changing current service levels.			
2004-2005 Adopted Strategic Support Changes Total	0.00	(58,879)	(58,879)

Strategic Support CSA

City-Wide Expenses

Overview

The Strategic Support Program includes funding to design, build and maintain City facilities, manage the City's financial and technology systems, and ensure the City has qualified, well-trained employee to deliver quality services.

Budget Summary

City-Wide Expenses Resource Summary*	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support	\$ 40,306,883	\$ 40,286,399	\$ 40,713,975	\$ 47,048,450	16.8%
Total	\$ 40,306,883	\$ 40,286,399	\$ 40,713,975	\$ 47,048,450	16.8%
Authorized Positions	14.00	14.00	13.00	13.00	(7.1%)

* For a complete listing of allocations for the Strategic Support Program, please refer to the City-Wide Expenses section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
1. City Auditor's Office Performance Audit		(5,000)
This action generates one-time non-personal/equipment savings of \$5,000 by eliminating the allocation for a 2004-2005 Performance Audit of the City Auditor's Office. This audit is required biannually. As the last performance audit of the City Auditor's Office was performed in 2003-2004, an audit is not required for 2004-2005. (Ongoing savings: \$0)		
2. Community Based Organizations Funding Reduction		(105,616)
This action reduces funding for community based organizations by the same average percentage reduction as for non-public safety city service areas. For the City-Wide Expenses Strategic Support Program, this action reflects a 12.2% reduction for the Arena Authority (\$31,097) and the Sports Authority (\$74,519), resulting in total savings of \$105,616. The City Manager's Office and the Office of Economic Development will work with these organizations to minimize service delivery impacts. (Ongoing savings: \$105,616)		

Strategic Support CSA

City-Wide Expenses

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
3. Community Report Card		(220,400)
This action eliminates the printing of the Inside San José newsletter, which was distributed to all City residents twice per year. This removes an outlet for direct communication with residents about the City's programs and services. Other existing vehicles for communication with residents will be continued, such as Civic Center Television and the City web site, and other opportunities to keep residents informed about the City's activities will be explored. (Ongoing savings: \$220,400)		
4. Customer Service Call Center		(8,300)
This action reduces non-personal/equipment expenditures for the Customer Service Call Center (supplies, travel and consulting) to be more consistent with actual spending levels in the current year. (Ongoing savings: \$8,300)		
5. Downtown Employee Parking		(307,800)
This action reduces, on a one-time basis, the reimbursement to the General Purpose Parking Fund for Downtown Employee Parking. As a result of this action, the General Fund subsidy to the Parking Fund will be reduced by one-half, to \$307,800. (Ongoing savings: \$0)		
6. Training and Continuous Improvement Program		(100,000)
This action decreases the Training and Continuous Improvement Program funding allocation from \$250,000 to \$150,000. As a result, fewer consultants will be contracted to provide training services for employees when expertise is not available within the City. The Employee Services Department will focus remaining resources on the highest training needs within the organization. (Ongoing savings: \$100,000)		
7. Tuition Reimbursement Program		(75,000)
This action reduces funding for the General Employee Tuition Reimbursement appropriation by one-half based upon actual usage. (Ongoing savings: \$75,000)		
8. Workers' Compensation Claims		(500,000)
Per the Mayor's June Budget Message for 2004-2005, this action reduces funding for the Workers' Compensation Claims appropriation by \$500,000. Implementation of new State Workers' Compensation reform laws will potentially increase benefits while reducing costs. (Ongoing savings: \$500,000)		

Strategic Support CSA

City-Wide Expenses

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
9. Miscellaneous Rebudgets		7,656,591
The rebudget of unexpended 2003-2004 funds will allow for the completion of the projects listed below in 2004-2005. (Ongoing cost: \$0)		
Arena Community Fund		252,700
City Outreach and Education Efforts		195,000
Computer Systems Master Plan		140,230
Financial Management System Upgrade		165,911
General Liability Claims		6,000,000
Investing In Results Efforts		125,000
Payroll/Human Resources Project		297,000
Revenue Enhancement Consulting Services		480,750
2004-2005 Adopted Program Changes Total	0.00	6,334,475

Strategic Support

General Fund Capital, Transfers, and Reserves

Budget Summary

General Fund Capital, Transfers, and Reserves Strategic Support CSA Resource Summary*	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Capital Contributions	\$ 9,342,775	\$ 3,120,000	\$ 600,000	\$ 8,327,348	166.9%
Earmarked Reserves	-	66,010,659	4,730,768	35,630,636	(46.0%)
Contingency Reserve	-	25,086,678	24,057,000	24,473,675	(2.4%)
Total	\$ 9,342,775	\$ 94,217,337	\$ 29,387,768	\$ 68,431,659	(27.4%)
Authorized Positions	0.00	0.00	0.00	0.00	N/A

* For a complete listing of allocations for the Capital Contributions, Transfers to Other Funds, and Earmarked Reserves Programs for the Strategic Support CSA, please refer to the General Fund Transfers, Capital, and Reserves section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
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1. Capital Contributions: Rebudget of 2003-2004 Projects **7,727,348**

This action provides for the rebudgeting of funding for completion of capital projects authorized in 2003-2004. Major projects in the Strategic Support CSA include COPS 2003-2004 Interoperable Communications Grant (\$4,818,348), Animal Shelter Facility and Expansion (\$1,315,000), and Los Lagos Golf Course Enhancements (\$481,000). (Ongoing cost: \$0)

2. Earmarked Reserves: Salary and Benefit Reserve - Management Salary Increases and Professional Development Program Suspension **(1,822,160)**

This action reduces the Salary and Benefit Earmarked Reserve to eliminate all funding previously reserved for management salary step or performance pay increases. Per City Council direction, these savings will be achieved by maintaining the salaries of all management employees at their current levels during 2004-2005. This elimination is similar to the recommendations approved for 2003-2004, whereby Senior/Executive management employees did not receive any salary increases, and unrepresented management employees received reduced cost of living adjustments with no salary step or performance pay increases (\$941,000). In addition, during 2004-2005, Professional Development Program (PDP) reimbursements for management employees are being suspended for an additional year. This is the second year in a row that PDP reimbursements have been eliminated for unrepresented management employees. The PDP has in the past reimbursed eligible employees for up to \$1,400 per year of expenses for professional conferences and educational programs, computer hardware and software, and professional subscriptions and memberships (\$881,160). (Ongoing savings: \$941,000)

Strategic Support

General Fund Capital, Transfers, and Reserves

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
3. Earmarked Reserves: Salary and Benefit Reserve - Voluntary Furlough and Special Reduced Work Week		(350,000)
This action further reduces the Salary and Benefit Earmarked Reserve to achieve the savings associated with a voluntary furlough and special reduced work week program for employees in 2004-2005. Implementation of this program was subject to the meet and confer process with the City's bargaining units and was agreed to in June, 2004. In order to minimize impacts to City operations and service levels, the programs would not result in a City-wide closure, but would be implemented having employees schedule unpaid time off at some point during the fiscal year. (Ongoing savings: \$0)		
4. Earmarked Reserves: Communications, Computer, and Equipment Reserves Elimination		(493,000)
This action liquidates Earmarked Reserves for Communications (\$143,000), Computer (\$250,000), and Equipment (\$100,000). These funds were approved to be liquidated and applied to overall General Fund balancing solutions. (Ongoing savings: \$0)		
5. Earmarked Reserves: Mayor's June Budget Message Rebalancing Implementation Plan		(12,524,554)
This action reduces or eliminates several reserves as directed in the Mayor's June Budget Message for 2004-2005. These adjustments are listed below. (Ongoing savings: \$0)		
2004-2005 Future Deficit		(6,535,734)
Economic Uncertainty		(5,373,820)
e-Government Applications		(500,000)
Salary and Benefit Reserve		(115,000)
6. Earmarked Reserves: Compensation/State Budget Impact Contingency Plan Reserve		2,000,000
Per the Mayor's June Budget Message for 2004-2005, this action establishes an Earmarked Reserve of \$2.0 million to be used to address any impact that the State of California final budget balancing decisions will have on City revenues and salary and benefit negotiations with the City's bargaining units. (Ongoing savings: \$0)		
7. Earmarked Reserves: Rebudgets		44,089,582
This action provides for the rebudgeting of unexpended 2003-2004 funding from various Earmarked Reserves listed below. (Ongoing cost: \$0)		
Economic Uncertainty		15,810,000
Workers' Compensation/General Liability		10,000,000
Future Capital Projects/SNI		6,846,718
2004-2005 Future Deficit		6,535,734
Salary and Benefit		2,902,405
e-Government Applications		1,810,000
Geographic Information Systems		184,725

Strategic Support

General Fund Capital, Transfers, and Reserves

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
8. Contingency Reserve: Rebudget		416,675
This action rebudgets unused 2003-2004 funding included in the General Fund Contingency Reserve. (Ongoing cost: \$0)		
2004-2005 Adopted Program Changes Total	0.00	39,043,891